

HOUSE OF ASSEMBLY

Thursday 20 September 1990

ESTIMATES COMMITTEE B

Chairman:

The Hon. T.H. Hemmings

Members:

Mr M.J. Atkinson
 Mr H. Becker
 The Hon. Jennifer Cashmore
 Mr V.S. Heron
 Mr J.K.G. Oswald
 Mr J.A. Quirke

The Committee met at 11 a.m.

The CHAIRMAN: I intend to adopt a relatively informal procedure. I take it that the lead questioner and the Minister have agreed to some approximate timetable for considering the proposed payments under the Minister's respective portfolio responsibilities. Changes to the composition of the Committee will be notified to the Committee as they occur. If the Minister undertakes to supply information at a later date, it must be in a form suitable for insertion in *Hansard*, and two copies must be submitted no later than Friday 5 October to the Clerk of the House of Assembly.

I propose to allow the lead speaker for the Opposition and the Minister to make an opening statement, if they so desire, of about 10 minutes in length. So far, I have adopted a fairly flexible approach to giving calls, based on three questions per member, alternating sides. Members may also ask a brief supplementary question to conclude a line of questioning before switching to the next member, but supplementary questions must be based on the line of questioning already pursued.

Subject to the convenience of the Committee, a member who is outside the Committee who wishes to ask a question will be allowed to do so once a line of questioning has been exhausted, but I must have some indication of this in advance. I remind members that there has been a change in Standing Orders to allow members of Estimates Committees to ask for explanations on matters relating to Estimates of Receipts. I do insist that questions be based on lines of expenditure and revenue as revealed in the Estimates of Payments and the Estimates of Receipts. Reference may also be made to any other documents, for example, the Program Estimates or the Auditor-General's Report. Members must identify the page number and the relevant line of the financial paper. Questions must be directed to the Minister. If the Minister wishes to have any of his advisers answer on his behalf, he may refer questions to the advisers.

Recreation and Sport, \$8 054 000

Witness:

The Hon. M.K. Mayes, Minister of Recreation and Sport.

Departmental Advisers:

Mr G. Beltchev, Chief Executive Officer, Department of Recreation and Sport.

HH

Mr R. Moyle, Manager, Finance and Administration.
 Mr G. Forbes, Director, Operations.
 Mr D. Harvey, Director, Racing Division.
 Mr B. Smith, General Manager, Totalizator Agency Board.
 Mr M. Nunan, Director, S.A. Sports Institute.

The CHAIRMAN: I declare the proposed expenditure open for examination. Does the Minister wish to make a statement?

The Hon. M.K. Mayes: Yes. The Department of Recreation and Sport is continuing to strive for improved service provision to its community groups clients and efficiency in the way it operates. These objectives are highlighted in everything the department does. The department is the Government agency which has the primary responsibility for establishing a framework for the development of recreation and sport and racing in South Australia in partnership with recreation and sporting organisations and the racing industry.

As such, the department administers Government funds in a manner which supports the success of South Australians in their recreation, sport and racing activities, through four major expenditure programs, namely: development of recreation; development of sport; racing and gaming; and support services.

A number of significant achievements were made during 1989-90. These included: the establishment of Opportunity SA Foundation to provide recreation and sport opportunities for people with disabilities; a further 150 kilometres of the Heyson Trail was developed and overnight huts were established at Mayo Gorge and Logans Gap; grants were provided to a wide range of community organisations to provide recreation and sporting opportunities for unemployed youth; trails for the disabled in Arbury Park were further developed; the Flinders Ranges Recreation Management Study Stage 1, the Seafood Recreation Planning Study and the Murray Valley Recreation Plan Stage 2 were completed; recreation institute staff assisted community groups, local councils, kindergartens and schools throughout the State in the planning and development of over 400 playgrounds; and a pilot program was initiated in Tea Tree Gully and Woodville to encourage the community to participate in regular recreation activity.

Further, criteria for eligibility for sports plan funding and evaluation procedures for sports accounting for the resources provided were finalised. Sports are now fully supported for comprehensive sports plans. The Junior Sport Development Unit was established to facilitate greater participation of young people in both school and community sport. The South Australian Sports Institute was relocated to permanent home at Kidman Park. The number of full and part time coaches employed by the South Australian Sports Institute increased by 40 per cent; the number of people moving into the development and talent levels in sports with fully funded sports plans increased by 12 per cent; and international representation of athletics increased by 8 per cent. A working party was established to examine a proposal to permit licenced bookmakers to accept telephone bets on-course.

Further discussions were held with industry groups on the issue of bookmakers viability. Amendments were made to on and off-course totalizator betting rules relating to jackpot procedures for the Pick Four, Fourtrella and daily double. Also, cancellation procedures for on-course totalizator betting were amended.

The Commonwealth Games Bid Office and Games Board were established and were successful in winning the Australian bid for Adelaide to be the preferred location for the

1998 Commonwealth Games. A program of career development and placement for elite athletics was established. The Second Australian Masters Games was successfully conducted in October 1989.

I now propose to deal with each of the budgets in turn. The first is the recurrent budget where total expenditure by the Department of Recreation and Sport in 1989-90 was \$8.093 million. During the year, the South Australian Totalizer Board turnover increased by \$70 million from just under \$395 million in 1988-89, an increase of 17.9 per cent. The proposed recurrent budget for 1990-91 totals \$8.054 million. The committee will note that the expenditure proposed for 1990-91 is a reduction in real terms over the 1989-90 figure. However, despite this reduction, the Department of Recreation and Sport will be able in the coming financial year to provide a service to both recreation and sporting associations which is at least equal to if not improved on the service provided during the last financial year.

The department has been able to reduce its administrative overheads and to absorb the reduction in funds available by the rationalisation of the Bookmakers Licensing Board, thereby ensuring that the grants available to the community have not been decreased as a result of the financial limitations now imposed. Throughout the 1990-91 financial year, sufficient funds are available within the recurrent allocation to enable continued maintenance and development of existing recreation trails and facilities and the coordination of the establishment of new trails for cycling, riding, walking and for the disabled; continued assistance to local councils, schools and kindergarten and the community bodies in the development of playgrounds; the Commonwealth Games Bid Office to embark on the second stage of the bid, which will be to establish Adelaide internationally as the preferred location for the 1998 Commonwealth Games. An increase of 3 per cent in the provision of assistance through grants to recreation and sport associations above the 1989-90 level of \$2.9 million.

I refer also to the maintenance of the number of full and part-time coaches at approximately 25; an increase in the number of athletes through the levels of the South Australian Sport Institute model by approximately 10 per cent; an increase in the number of international athletes from South Australia in national teams, and ongoing research into racing industry and Government initiated programs, which will contribute to the long-term viability of racing. Also, the provision of consultancy support to State associations will be increased.

If I could now turn to the estimates of a capital nature, the Committee will see that total payments proposed are \$4.1 million compared with an allocation of \$5.52 million in 1989-90. The allocation of capital this financial year is a reduction on that proposed for last financial year and is substantially less than the level sought by the department to meet ongoing commitments and to undertake new works. As a result of the reduction in capital expenditure, it has been necessary for a number of major projects to be delayed until such time as the financial climate will enable them to be undertaken.

Specifically, it has been necessary to delay any further work on the upgrading of the western stand at the Hindmarsh Stadium and the provision of other stands for at least this financial year. Planning on this project has reached a stage where the project can be proceeded with at short notice should funds become available. The installation of the new light towers will, however, proceed as tenders were let for this project prior to the end of the last financial year. A provision of \$950 000 has been allowed for in this finan-

cial year's capital work budget to enable this work to proceed to completion.

With reference to the baseball project, the department is committed to upgrading the surface of the Norwood Oval to a standard acceptable to the Australian Baseball League. This work will be undertaken at the completion of the current football season. Insufficient funds have been allocated this financial year to enable any construction to commence on a stadium for baseball at Sports Park. However, sufficient funds have been allocated for the construction of a diamond. Discussions are currently being held with the South Australian Baseball League to determine the most effective option for establishing a State headquarters for the South Australian Baseball League.

During the 1989-90 financial year, the department began investigations into the provision of a netball complex at State Sports Park at the request of the South Australian Netball Association. Insufficient funds have been allocated this financial year for these investigations to continue and, on the brief prepared for the department by SANA, the size and scope of the project would be of such magnitude that to continue investigations would be fruitless, as it is extremely doubtful whether sufficient funds would ever be made available to construct a complex of the magnitude being proposed by SANA.

As previously outlined, the situation with regard to capital works for the department is extremely tight and other than the construction of a velodrome at sports park, which will commence this financial year and which is vital in this city's bid for the Commonwealth Games in 1998, no other major capital works will be commenced with the exception of those works undertaken by the Racecourses Development Board, which over the next three financial years will allocate \$15 million to upgrading facilities for the benefit of racing in this State.

Finally, the Department of Recreation and Sport will continue to provide an effective support service to sporting and recreation bodies throughout the State by the provision of advice and financial assistance through the institutes to ensure that the population of this State is given the opportunity to pursue its desired sporting and recreation pursuits.

Mr OSWALD: I refer to page 108 of the Estimates of Payments. Where does the Minister now stand in relation to the statement he made in a written press release on 19 August, some four weeks ago, as follows:

South Australia's football future will be seriously jeopardised if a club team becomes part of the Australian Football League. Even the entry of a composite side in the AFL would have an adverse financial impact, based on a report which suggests a review of the SANFL's current situation. State Treasury, which has been examining details of offers made by the AFL, has concluded in an interim report that there would be a significant adverse impact on the finances of SANFL clubs.

As well as giving an explanation of his statement, if there is such a document as the State Treasury interim report, will the Minister now release that report so that the South Australian clubs, the sporting public and the media can better understand the significant adverse impact that the Minister claims the entry of a composite side into the AFL will have on the finances of South Australian clubs?

The Hon. M.K. Mayes: I thank the member for Morphet for his question because I think it is very relevant given the decision that was made last night by the AFL to accept the entry of a composite team into the AFL. It has been this Government's policy—and it is certainly a policy that I totally and thoroughly endorse—that we do not interfere with the administration of sporting organisations and/or sport—I think that is the most appropriate term. The circumstances surrounding the investigation undertaken by an officer of the Treasury and the Chief Executive Officer of

the South Australian Department of Recreation and Sport relate to an offer that was made by me to the SANFL and Port Adelaide Football Club in order to assist those bodies in their deliberations and decisions.

The covering document, which was the interim report itself, was released by me as part of that press statement. A financial analysis is attached to that document, which belongs to the SANFL. That document has been provided to the SANFL and, under the terms of arrangement agreed upon when we met, their figures and the information belong to them and we have respected that. If the honourable member wishes to have that information, as I said previously, he, any member of his Party, or indeed any other member of the community, should approach the SANFL for that information.

I have made reference to that detailed document in the interim report which I released and in which I canvassed the options that the officers examined and outlined the detrimental impact on South Australian football that those officers, in their investigations, discovered would result if Port Adelaide moved into the AFL. My primary concern is in relation to football in South Australia; that is my responsibility and that is what was driving my offer to the SANFL and to Port Adelaide Football Club.

The honourable member has referred to the interim report, which touched on the likely implications of a number of scenarios. Those scenarios were tested against available information, as I am advised by officers who undertook the investigation. For example, the impact on the Western Australian Football League (WAFL) was investigated. Assumptions were based on the SANFL figures and it was concluded that the SANFL figures and the assumptions stood the test, and Port Adelaide's bid to enter the AFL would have had significant financial impact on football in this State. One could speculate about the likely impact of that move. In the long term, in order to field an elite team, the more vulnerable areas within football would suffer, and that would be of concern to the honourable member, other members of this Committee and the community as a whole.

The area of main concern is junior football. Junior development in this State has been outstanding and we have led the rest of Australia with respect to Australian rules football. I have observed it at various levels over the years that I have been Minister and, having played this sport myself, I have a deep interest in ensuring that those programs continue. The Government has put money into junior development programs. If Port Adelaide were accepted into the AFL, the most vulnerable area would be junior sport and this would affect the development of the sport as a whole. The SANFL must endeavour to keep its attraction and focus on the major teams.

The interim report, and my covering statement, touched on those various issues. Officers highlighted the fact that, if Port Adelaide went down the path it set for itself, the losses to each league club would be horrendous. It would have been devastating to football in this State. Various sub-categories of agenda could be put together. It is something of a jigsaw with various alternate figures, all of which would put each club and the league in the red. The President of the South Australian National Football League stated that, if the AFL accepted Port Adelaide, the SANFL would not permit that side to use Football Park. I agree with the President's statement that Football Park is the most suitable football venue in Australia, and I have seen most of the major venues. Indeed, it is one of the most outstanding facilities for sport in Australia.

If Port Adelaide were not able to play at that facility, it would place considerable burdens on that side, with a loss

of income. People would be taken away from Football Park and it would mean a loss to the local league competition, as well. That is probably the worst of all scenarios presented to me. If Port Adelaide were permitted by the league to play on that ground, the losses would be significant, but not as great. However, because the matter has now become history, we may not encounter those scenarios. Like the SANFL, I am concerned about the long-term impact on football. Both the SANFL and the AFL, in partnership, must address a number of important issues regarding the composite side in the national competition and in maintaining football at the local level.

We as a community will have to work closely with the SANFL in its project because some major hurdles are still to be jumped in order to see the successful entry into the AFL and the support of our football at a local level. I am coming to the point of the honourable member's question as I perceive it in regard to the composite side and its impact here.

The figures exist, and they belong to the SANFL. Again I stress that the honourable member should approach the SANFL if he wishes to examine the figures. They were put together as part of the interim report which was provided by the two officers whom I have mentioned. As I have said, the report used as a base the figures that were assessed, analysed and tested by the officers with regard to a composite side being in the AFL. As the officers have assessed, it will pose some major problems for the SANFL in terms of providing and fielding that team. We as a community will need to support wholeheartedly the endeavours of the SANFL in its project to ensure that it and football succeed in this State.

My personal view—if a Minister can have such a thing—is that we should congratulate the SANFL and the AFL and wish them all the best in their endeavours. I love football. We will probably see a truly national competition. I imagine that it is only a matter of time before other States such as Tasmania and the ACT go into the AFL. That matter must be carefully and sensitively handled. Obviously I shall not be involved in that, but, now that the decision has been made, I want the team to succeed. I look forward to the Adelaide Football Club fielding its side, and I will be one of those attending the matches and supporting our local side in the new competition.

Mr OSWALD: The theme that ran through the Minister's press release was that we should not send Port Adelaide or a composite side to the AFL. The basis of the Minister's argument in that press release was the Treasury assessment in the Treasury interim document. He must obviously have been concerned four weeks ago about the impact that either the single or composite team would have on South Australian football, based on the figures which I accept that I can now get from the league, and I will probably do that. However, more than four weeks ago the Minister was concerned enough to go to the league and offer Treasury assistance.

Now that the Minister and the league have that additional knowledge, which I do not yet have, will the Minister have further discussions with the league's directors to discourage a composite team going into the AFL, based on his knowledge of the documentation and his public claims only four weeks ago that the entry of a composite team will have a significant adverse effect on South Australian football? He cannot have it both ways. He cannot, four weeks ago, brandish the Treasury document around the sporting public of this State, saying that South Australian football is doomed if the move takes place and, four weeks later, in different circumstances, applaud the move and say, 'What I said four

weeks ago does not apply today; it will probably be a success.'

If the Minister is consistent in his performance thus far, I should have thought that he would approach the league and have further discussions on where it is going. He is obviously concerned that it will have a serious impact on the local league. Does the Minister intend having any further discussions with the South Australian NFL directors?

The Hon. M.K. Mayes: Things have changed since four weeks ago—it is quite evident that they have changed. The honourable member is placing a particular emphasis on that press release which I would not place on it. I did not emphasise the doom of a composite side going into the league. I highlighted that the officers' report had stressed that it would not be a bed of roses if a composite side went in. In the press release I emphasised that we should be cautious and careful about the entry of any side into the AFL, based on the report that was presented to me.

I think the league understands that quite clearly; there are degrees, and certainly there are degrees of concern. I have been through those in outlining the various options of the jigsaw and I think it is fair to say that the worst option was Port Adelaide's going in and not playing at Football Park, given that there would be 11 matches (and I know they are now talking about extending the number of matches, with two byes in the AFL). If one looked at that scenario—and the officers did look at that carefully—it was clear that it was the worst possible scenario, and that there would be a six-figure loss for each club. If one looks at the financial situation of the clubs, one can see that some of them are sailing pretty close to the wind anyway, and that would have been an absolute disaster. The composite side relied on some alterations to the structure of the league locally, and that point was made within the press release; and members will have to read that in time. In the body of the release, I made the following statement:

I call upon the AFL and its club officials to seriously consider their motives, which are aimed at the short-term expansion of their league rather than ensuring the long-term strength and viability of the national football code in South Australia.

I went on to say:

State Treasury has said that, based on the current AFL proposal, finances of SANFL clubs will be severely affected.

The emphasis was on that current AFL proposal, but that has changed, because we are looking at a different local environment. In addition, I said:

The lack of public support would mean dramatically reduced income, leading to loss of jobs, inability to attract talented players and the possible scrapping of South Australia's Junior Development Program.

One of the things I said in Parliament in relation to this was that, if there was an entry of any side, football would have to look at its current structure in this State. One of the things that has been considered courageously by Woodville Football Club and the West Torrens Football Club is the amalgamation of those clubs. We know that there is a good deal of speculation about other clubs, including my local club, joining forces with another club in the league to form a composite local side. I hinted clearly that that was part of the report. If the honourable member approaches the SANFL for that release, he will see that it is emphasised that, in order to achieve a successful financial base (and the league knows this), it has to look at its local structures.

We offered that advice and support, and I think it is fair to say that it is appropriate for Government to offer that, purely as an advisory facility, rather than telling them how to do it. I made that comment quite clearly at the end of my interim statement; that in the final analysis, it was a

matter for the SANFL and the AFL to sort out their differences.

I refer the Committee to the interim report, which I released on 14 August. It contains a clear reference to the SANFL, that should it proceed with either path it should look at the structure of football in this State. I quote from that report as follows:

It appears that, whether a club or a representative team from South Australia enters the AFL, there would be a negative impact on the finances of the SANFL. In looking at ways in which this negative impact can be ameliorated, the variables which influence income and expenditure have been considered in a preliminary way. The two critical variables, namely, the number of teams and the number of grounds which have to be maintained and operated, would have to be given high priority consideration in looking at the financial impact of AFL involvement.

That was signed by Mr George Beltchev, the Chief Executive Officer. We looked at the other issues that would impact on the decision to enter the AFL. I can be quite comfortable with my statements of early August, compared with my position as of today with regard to the decision taken last night by the AFL, because the SANFL has considered its circumstances at length. My door is open to the SANFL and the Port Adelaide Football Club to assist in any way in their deliberations, to provide information or assessment, and I am sure the discussions will be quite constructive. I expect that there will be discussions when the SANFL has worked through its negotiations with the AFL, and certainly I leave that invitation open to them. The President of the SANFL knows that, and any time that he or the CEO of the SANFL have wanted assistance they have been free to come and seek it from me, or the CEO of the department.

Mr OSWALD: I seek a clarification on my second question: is the Minister going to have any further discussions with the directors to discourage a composite team going into the AFL, based on his knowledge of the Treasury documentation? We have skirted around the question considerably. I know now that the Minister's door is open, but I want to know whether the Minister and his officers, or the CEO of his department will make a direct approach to the league for specific discussions, based on the Treasury document which, we were told four weeks ago, showed great concern, or has the Minister now decided that he will not get involved as he did four weeks ago, and that he will let the league make up its mind? In other words, will the Minister make a direct approach to the SANFL directors, and discourage them based on his and Treasury officials knowledge, or will he let the matter rest?

The Hon. M.K. Mayes: I have never intended to interfere with the administration of football, and the final statement in my press release of 19 August was:

In the final analysis, it was a matter for the SANFL and the AFL to sort out their differences.

I make quite clear that this Government is not in the business of administering football; football will administer itself and the decisions that are made by the SANFL are its decisions, and they will stand as its decisions. We have offered that advice and assistance to it; our role in the exercise has finished and I do not intend to interfere in that process. We have highlighted to the SANFL through the exercise that we have undertaken, using its figures that there are some financial concerns of which it should be aware. The people involved are aware of them; they are very competent people, and they will make decisions based on the information before them and, as I say, that stands. It was never my intention to interfere. The member is suggesting that I interfere in the administration of football. I do not intend to do that.

We have highlighted the financial situation as we have seen it care of the officers who conducted the inquiry. They

are fully aware of that. I am sure they would resent my interfering, just as I am sure that the honourable member would be the first to call on me to withdraw if I went through their front door and said, 'Hey, you should not do this; we believe it is wrong.' I believe that we have performed a very appropriate role, and I am sure that the SANFL has seen it that way.

In essence, we should now sit back and wait for them to make the appropriate decisions. My door is always open if they seek further information, support or assistance in the way of analysis of their situation. I will be more than happy to offer that. Likewise, my door is still open to Port Adelaide. I wrote to Port Adelaide and offered that same advice and assistance on the very same terms as offered to the SANFL. However, I do not intend saying to the SANFL, 'Hold on, this is not on.'

Let me say again: the report stressed that certain other things had to be addressed, including the number of teams and the locations at which league football is played in this State. Those matters have been addressed by the league and the circumstances have changed in a real sense, because we are now talking about nine teams, not 10, in the local competition, and more than likely we will be talking about less than nine by the commencement of next season. Certainly, the number of locations at which league football will be played is on the SANFL's agenda for discussion. The financial circumstances are now looking much more favourable in terms of a composite side entry into the AFL.

Mr OSWALD: Referring to page 108 of the Program Estimates, what is the status of plans to redevelop the South Australian Women's Memorial Playing Fields Trust area? When can the trust anticipate any funding towards that redevelopment? About 12 months ago, at the time other sporting organisations were being informed that they could plan to develop their facilities, 14 sporting bodies which used the playing fields were invited to submit their needs to a committee which, I understand, comprised representatives from the trust, the Department of Recreation and Sport and some other personnel. Draft plans were in the process of being drawn up.

What stage of that redevelopment have we now reached? Were those plans taken to a certain stage and then indefinitely deferred? Has the fate of the redevelopment of the playing fields gone the same way as the extensions to the baseball facilities and the soccer stadium, the southern regions sports complex and the netball facilities, where it is now a case of 'Don't call us, we'll call you'? A year ago, when I attended the Banka Straits memorial service the word on everyone's lips was that a redevelopment of the playing fields was imminent, as was the case with the soccer stadium project. Because they have not heard anything for some time, I have been asked by members of the trust to seek information today on the future of that project and whether or not they can expect it to start some time in the near future.

The Hon. M.K. Mayes: No funds have been allocated in this year's budget for the continuation of that planning process. Obviously we will be endeavouring to consider the future of the Women's Memorial Playing Fields. That means that further planning will be required. I plan to ask my Women's Advisory Committee to look at the future consideration of that matter, as well as a continuation of the planning process. I am sure that members of the trust are aware of that situation. I have had meetings with them, although some time ago now. Because of the financial constraints placed upon us, we have not been able to consider proceeding any further with that process.

Mr ATKINSON: On racing and gaming, at page 292 of the Program Estimates I notice that reference is made to the decline in the number of bets laid with bookmakers and the decline in their turnover. Added to that is the long-term decline in the total number of bookies. How does the Minister explain that decline and how many bookmaking licences were surrendered in the past financial year?

The Hon. M.K. Mayes: One of the problems with bookmaking and with racing as a whole—and this has been of ongoing concern to me—has been the constant competition in the community from what I call the entertainment industry. It is significant that, with the increasing scope and sophistication of technology, we have seen more and more competition to the traditional recreational and sporting activities that our community has always so strongly supported.

Obviously, racing has a very strong foundation in our community. A common statement is that Australians will bet on two flies crawling up a wall. As to our heritage, maybe the Irish in our community had a lot to do with the strong support in the community for our racing codes. It has grown significantly over the past 50 years. However, the growth of our entertainment industry has drawn away the focus from a number of our significant sporting events, particularly weekend events, such as racing, football, harness and greyhound racing.

We have seen an increasing demand from the public for high quality facilities because of the alternatives offered in the entertainment industry. People can now sit at home on a cold Saturday afternoon during winter and watch football on the television rather than attend one of the local matches. So, we have to provide very good facilities for football spectators, including the racing results, TAB facilities, etc. All those things are being provided.

The Racecourse Development Board has been making significant inroads due to the moneys turned over, fractions and unclaimed dividends. Cheltenham racecourse is a very important facility now, and I am sure that the honourable member appreciates that for a number of reasons. Its attendances are very significant and it receives excellent support. In comparison, one must say that the facilities at Victoria Park are getting tired.

Mr OSWALD interjecting:

The Hon. M.K. Mayes: The honourable member mentions the facilities in winter. Yes, it can get particularly cold in the betting ring in winter. The Racecourse Development Board and the SAJC are looking into that matter. We are in a competitive situation. In order to get people through the turnstiles, the community must address those facilities. The management of Globe Derby Park are to be congratulated on what they have done for harness racing. The facilities there are excellent and it provides great entertainment on a Saturday night. One can take the family there and enjoy a good meal at a reasonable cost and have a good night's entertainment.

We will have to do that more and more with racing. We must be more competitive in terms of food, costs and services in order to provide the sorts of attractions to bring back our community to the racecourse. That is part of the dilemma we face with regard to bookmakers. We need people actually at the course in order to support bookmaking. I have looked at some options which I am not bashful in discussing here in terms of providing support for the bookmakers in our community. The number of licensed bookmakers has dropped from 108 in 1983 to 82 in 1989.

One or two of our more prominent bookmakers have hung up the pencil, and that is a problem which as a community we must address. Bookmakers also must address

it. Some of them are not as competitive as they were. Members have probably heard (and it has been put to me on numerous occasions) that people cannot get on the sorts of bets that they used to. We must address the problems in the industry.

I had a most constructive meeting earlier this week with the whole industry, including the bookmakers' representative, and I have put a package to the industry that will help to address the issue. With assistance from the Government we have set up a coordinating group. People are sick of hearing about working parties and task forces in the racing industry. Although I have established a few, they have been successful. We have addressed successfully a number of difficult issues by using the industry intelligence, information and skills in working parties.

We have called this not a working party but an industry committee. We will act as a coordinator and provide support to it, but hopefully it will be driven by the industry itself. The Chairman of the BLB has made some useful and constructive suggestions, as has the newly elected Chairman of the SAJC. So, we are looking at the situation. Bookmakers could claim that many words have been expressed about the industry over the past two or more years. The industry is complex, and I have always worked on a consensus basis, as exhibited by my attempts to have fixed odds betting introduced, based on the fact that the industry had a view about it.

We must look at issues such as telephone betting, sports betting and exotic betting as we have called it—that is, additional bet types. We must also look at concessions for bookmakers' staff, fielding fees, improved facilities, which I have touched on, and a review of the rules applying to bookmakers. Basically, that is what I put to the industry and, if bookmakers want to broaden their scope then, when we talk about telephone betting, one has to talk about revenue to the industry. My approach, which causes people in the AJC to break out in a number of cold rashes, is that if we talk about that aspect we must talk about an even playing field, which means the same turnover tax applying. We have to respect the view that, if we are looking at giving bookmakers a broader catchment area such as telephone betting, similar rules must apply.

I concede that telephone betting will not be the panacea or the pot of gold at the end of the rainbow for bookmakers, but it is an additional facility. The report that I have had undertaken in South Australia has now been released for consideration by the industry. It was released by Cabinet on Monday, and it will be available for the industry to consider whether or not it is comfortable with those proposals. Obviously, we have sought careful consideration of that issue by the Commissioner of Police, who has made his comments available to us. Those comments will also be made available to the industry.

Obviously, the police are a very important component in this exercise, and I will take on board police comments carefully because one cannot embark on an exercise of this sort and ignore the consequences on the community as a whole.

As I know of the honourable member's concern for bookmakers in this State, I can assure him that I am also concerned. Bookmakers have been part and parcel of the racing industry and we have some unique situations in this State. Port Pirie has its betting shops; I was born in Port Pirie and, as a child, I remember driving past the betting shops and assuming that every other country town and the city had betting shops. When I came to the city, I learnt that they did not exist, and I was surprised by the unique-

ness of that facility which is provided to the people of Port Pirie.

Members interjecting:

The Hon. M.K. Mayes: The honourable member indicates that this is a disappointment—it is something that we will have to contemplate in the long term, and it would have to be considered carefully by our law enforcement agencies, by the Attorney-General and by Parliament. It is one of the considerations, and all the aspects have to be put on the agenda. We must talk about a package. We cannot just talk about bookmakers: if we look at getting people to the races, we must think about getting facilities for the punter, the enthusiast and the investor. To get people to the races we have to talk about the cost of food, the facilities provided and the whole entertainment package that is offered. If we talk about that package, then we talk about ensuring that bookmakers have appropriate facilities in which they can offer investors a suitable environment compared with the pub TAB or the TAB facility as a general agency. I am looking at it as a package.

It is not easy to put a package like that together. We have made some progress in the past few weeks, and I look forward to bringing before Parliament amendments to the Racing Act that will assist bookmakers. It will not be a universal salvation, but it will offer something that will assist them in their plight. I acknowledge that they are in some difficulty—the figures speak for themselves. Figures in South Australia are not unique: they are a reflection of what is happening in the Eastern States; there has been a significant drop off. I am told that there are no applications and that it is difficult to get new applicants to take up a licence in the Eastern States, especially in Sydney. The honourable member regards it as being remarkable. I think it is an extraordinary situation.

Mr BECKER: It used to be a licence to print money.

The Hon. M.K. Mayes: Exactly. That is no longer the case; in Sydney it was. Obviously some events have occurred in the past few years which have drawn public attention to bookmaking. It would be an oversight on my part if I did not acknowledge the election of the new Chairman, Deputy Chairman and committee of the SAJC. I welcome and congratulate Mr Bob Linke and Mr David Peacock on their appointment as Chair and Deputy Chair of the SAJC. I congratulate them, and I have already congratulated in Parliament Mr Malcolm Fricker on his period as Chairman, especially given the struggle that he had with his health. It was pleasing to see him succeed in overcoming those difficulties and to continue as Chairman for the period of his office.

Certainly, I look forward to working with Bob Linke, whom I find an innovative and competent person. I think that our partnership—and it is a partnership—will bring some dramatic rewards to this industry in South Australia and, with a very colourful person he has as his deputy, we will see some giant steps forward in racing. We need to do this. We have to be innovative and lateral thinking because, if we are not, we will see a decline in the racing industry in this State. The partnership with the SAJC committee will address some of these major issues, and I know that the Chairman has already made some public statements about the need for the industry to address those issues. The honourable member knows that it is a challenging time, but it will be an exciting time, and there is no time now for anyone to fumble the ball.

Mr OSWALD: Mr Chairman, it is now midday. Only a few questions have been asked, although I appreciate the knowledge that the Minister is imparting to the Committee.

However, I ask that we shorten answers so that we can get a few more questions on the record.

The CHAIRMAN: I take the point raised by the member for Morphett. Only five questions have so far been asked, and it is now 12 o'clock. I urge all members of the Committee to bear this in mind and I ask the Minister to shorten his replies. However, the member for Morphett transgressed somewhat in his opening four questions. The length of those questions was somewhat disconcerting to other members of the Committee.

However, I take the honourable member's point and ask all members and the Minister to get as many questions and answers on the record as we possibly can. I look forward to this last day of the Estimates Committee to reflect the goodwill and cooperation that has been a feature of this Committee. Of course, I cannot speak for Committee A. However, I request that everyone be as brief as possible.

Mr OSWALD: On a further point of order, Mr Chairman, I did not use the period available for an introductory remark, as did the Minister, and you criticised the length of my question. You must bear in mind, Sir, that I did not attempt to read a written statement beforehand and, in the process, take up 10 minutes of the Committee's time. I think your criticism is grossly unfair and out of kilter with the amount of time that is being allocated to each side. I simply asked, through the Chair, whether answers could be shortened. I am pleased that you put that to the Minister, but to criticise us because we did not make an open statement was grossly unfair and out of character.

The CHAIRMAN: I feel rather upset that the member for Morphett thinks I was being critical of him when I commented on the length of time that he took to ask his questions. I do not think that, because the member for Morphett chose not to make an opening statement as the lead questioner on this Committee, he can use that as a lever to prompt me to direct the Minister to be brief in his replies. If the Minister, at any time, in answering a question from the Committee had been repetitive I would have intervened. I was carefully listening to the Minister's response to the member for Spence in relation to bookmakers, which I found rather interesting. I would have thought that members would find it interesting because it is a valuable source of income for the State. I am trying to be very fair.

I make the point again—and so far we have spent nearly three minutes dealing with this point of order in relation to the brevity or the length of the reply—that in the time remaining all members of the Committee and the Minister should be brief. However, I cannot direct the Minister as to the length of his reply. If the Minister feels that in answering any question from any member of the Committee he needs considerable time and that the information he is giving to the Committee is important, I cannot direct him to cut short his answer to suit individual members of the Committee. Again, for the past five days I think that this Committee has been running with a fair degree of goodwill and geniality. I would like to think that on the last day, before we all pack up for two weeks well-deserved break, the Committee will run in the same way.

Mr ATKINSON: I refer to the same page of the Program Estimates, where mention is made of a specific target for 1990-91 being a comprehensive review of the rules of betting for bookmakers. Is that review part of the industry committee process mentioned by the Minister in his answer to my first question? If not, which changes in racing and which rules of betting have prompted the review and, specifically, what progress has been made with the proposal for bookies to bet on sporting events other than racing?

The Hon. M.K. Mayes: I do not want to delay the Committee, but I am told that I am doing pretty well compared with last year, and that is no reflection on the Chair. I take the point and I will try to keep my answers short. I think the point is worth making that the two issues that the member for Morphett raised were very important, and I would be guilty if I had not given fairly extensive answers. I suppose I am given to prolixity. I also suppose I have never been regarded as being short of a word or two on occasions. However, I will endeavour to keep my answers as brief as I can.

The honourable member's question is a very good one. The BLB is undertaking a review of the racing rules. The process is part of the exercise that I have raised with the committee. Of course, part of the stimulation was in relation to the inquiries into certain bookmakers, which suggested that we ought to look at the rules in a composite sense. However, we had also embarked on discussions with the BLB prior to that about the need for a review and update of the rules. Therefore, it has all come together, if you like, but we are already undertaking that exercise. Certain events which occurred in the community streamlined that process. Of course, the new Chairman of the BLB, Mr John Gray, who is a solicitor, already decided that he and the board would undertake that exercise.

In relation to sports betting, that has been high on my agenda, and I hope that we can get some amendments through this session. I cannot guarantee that because the industry may decide to put it together as a package. However, I think that we would be able to move on that. If we hold that back until we deal with telephone betting, which I am sure members appreciate is a fairly controversial issue, it may be delayed until next session. I see it as a fairly useful exercise.

I believe that in New South Wales bookmakers hold about \$500 000 on a Saturday in terms of other sports betting. That is not world shattering, but it is obviously a useful supplement to their income and a great opportunity for the community. If one is at the races and one sees the Adelaide Football Club about to beat Collingwood, one might want to bet a few bob on the winning margin.

Mr ATKINSON: I refer to the same program title. Mention is made of changes to the totalizator rules on the daily double, Pick 4 and fourtrelle. Will the Minister explain these changes to the Committee and why they were necessary?

The Hon. M.K. Mayes: I ask Mr Harvey to answer that.

Mr Harvey: The rules relating to the daily double were modified to reflect the number of runners in each leg. The rule prior to that stated that there had to be at least 16 runners in each of the legs to form a major and a consolation dividend. Often we had situations where there were, for example, four runners in one leg and 12 in another, and it was inappropriate then to form a consolation dividend. Therefore, the rule was changed. We wanted to have a minimum of eight runners in each leg so that a useful consolation dividend could be struck.

The other rule changes in relation to the trifecta and the Pick 4 altered the jackpot provisions. Prior to the rule change we had a situation where, if the trifecta was not picked in the correct order, there would be first, second and any other runner, or first, any other runner and third, or a combination like that. This really was not appropriate if one did not select the first three placegetters or the first four placegetters.

In consultation with the racing clubs and the TAB, the department introduced jackpot provisions. This meant that, in the event that a successful selection was not made, the

net pool was transferred to a subsequent race. That increased the size of the pool and also made it more attractive for punters to bet on the next race. It was a very effective marketing tool.

Mr ATKINSON: Is it the same with the fourtrella?

Mr Harvey: Yes.

The Hon. JENNIFER CASHMORE: I refer the Minister to page 10 of the Estimates of Receipts and note that the budgeted income from the Lotteries Commission (\$78.3 million) is almost a \$12 million increase. My question is about instant tickets in small lotteries. Is the Minister aware of any schemes—

The Hon. M.K. Mayes: That comes under the Premier.

The Hon. JENNIFER CASHMORE: What about the Lotteries Commission?

The Hon. M.K. Mayes: That has nothing to do with me. That is the Treasurer's responsibility.

The Hon. JENNIFER CASHMORE: I refer to page 194 of the Estimates of Payments and the capital lines of the Department of Recreation and Sport. In the Minister's press release dated 29 August 1990, in which he announced the deferment of a major part of the redevelopment of the Hindmarsh Soccer Stadium, he said that he could not guarantee that funding would be available in the 1991-92 budget as well. As the project was a specific election promise by the Minister, when can the Minister confidently expect funding to be made available? Does he recommend that soccer administrators in this State abandon any plans they may have to sponsor the 1993 World Youth Championships in Adelaide?

The Hon. M.K. Mayes: It is not the 1993 World Youth Cup; we are proposing to hold the World Youth Cup in 1995.

The Hon. JENNIFER CASHMORE: Nevertheless, we need the building to start by 1991 to have any chance of winning the championships, according to the soccer people.

The Hon. M.K. Mayes: Being a soccer player, and a person who strongly supports the sport, I believe it is important for us to proceed along these lines. I am sure that the honourable member appreciates the financial situation that the State is in and, to ensure that we do not end up like some other States, we are endeavouring to manage our financial situation properly. I arranged a time to meet with the Soccer Federation. Unfortunately, that has had to be cancelled, but not by me. I was more than happy to meet. However, I do propose to meet with the federation soon.

I am particularly anxious to see this project proceed. I will discuss the available options with the federation. We are able to continue our planning process this year so, if we get funds in next year's budget, it will cause only a slight delay in the actual construction program. I will encourage the Soccer Federation to keep its hat in the ring and I will do everything I can to ensure that we get capital funds next year to continue the redevelopment of the western stand and building of the eastern stand.

Some options are open to us. The idea of a complete redevelopment of the complex was based on providing an international standard facility for soccer. We believe that certain modifications can be made to those \$3.9 million proposals in order to meet the standards that the international body requires for the World Youth Cup in 1995. We are working through those figures at the moment and they will be discussed with the federation. So, if I cannot deliver, a contingency plan will be in place. I will endeavour to deliver the funds for next year's budget. However, if I cannot deliver because of financial constraints, a contingency plan will provide the option of continuing to support

soccer in its bid for a segment of the 1995 World Youth Cup.

The Hon. JENNIFER CASHMORE: By way of a supplementary question, I seek clarification for the record. The Minister maintains that the World Youth Cup is in 1995. I have before me letters from the South Australian Soccer Federation and the Australian Soccer Federation, one of which is addressed to the Minister. Both refer to the 1993 World Youth Cup. Why is the Minister insisting that it will be held in 1995, when the Soccer Federations maintain that it will be 1993?

The Hon. M.K. Mayes: A document in front of me says 1995. I will have that checked.

The Hon. JENNIFER CASHMORE: It is a huge difference in terms of the allocation of funds and Government planning.

The Hon. M.K. Mayes: There is an error somewhere, and I will have it checked. Our timetable is such that we can use options to meet the requirement. I apologise if the date is 1993 because the document in front of me says 1995. Options are available and we will ensure that we continue with the program—

Mr OSWALD interjecting:

The Hon. M.K. Mayes: It does not wipe it off. When we talk with the federation, we will look at those options to ensure that we keep our hat in the ring.

The Hon. JENNIFER CASHMORE: In terms of the planning and construction of a stadium, two years is a very long time. If the Minister is working on the basis of 1995—

The Hon. M.K. Mayes: No, I am working on the basis of the timetable.

The Hon. JENNIFER CASHMORE: The Minister insists that the championships will be held in 1995.

The Hon. M.K. Mayes: No, I am not insisting. I will have the document in front of me checked.

The CHAIRMAN: I have no problem with the line of questioning of the member for Coles. The member for Morphett recently took a point of order about the limited number of questions with which the Committee has dealt and the line of questioning. I would like everyone to keep their cool. The member for Coles is quite correct in pursuing this line of questioning. I have no problems with her dealing with the matter. However, when the member for Coles is asking her question, I ask the Minister and other members of the Committee to keep quiet until the question is finished.

The Hon. JENNIFER CASHMORE: I accept that I have now gone beyond a supplementary question.

The CHAIRMAN: The honourable member has had one question and two supplementary questions. I am happy with that.

The Hon. JENNIFER CASHMORE: I will read to the Minister from a letter to him dated 29 August this year from the General Manager of the South Australian Soccer Federation, as follows:

The question of the deferment of major upgrading of Hindmarsh Stadium was discussed at length at our board meeting last evening. Great concern was expressed at the potential loss of international fixtures in the short term, and the probable loss of group matches to form part of the 1993 World Youth Cup.

This fear has been heightened now by the receipt of a letter from the Australian Soccer Federation, a copy of which is enclosed herewith.

I have a copy of that letter, and it also refers to the 1993 cup. One of the Minister's advisers may have given him a document with a typing error, and I accept that those things happen. However, the whole basis on which planning is made should be able to overcome a simple typing error. If the Minister is suggesting that the project can be ready and that people need not worry, I think that should be put in

more unequivocal terms for the benefit of the Committee and the South Australian Soccer Federation. I repeat the question: as the project was a specific election promise, will the Minister now confirm that the stadium will be ready in time to ensure that the Soccer Federation competes—hopefully successfully—in the bid to host the World Youth Cup in 1993?

The Hon. M.K. Mayes: I have already answered that question. It appears that there is a typing error in the document before me. It is 1993, so I apologise to the Committee. This formal document went to the federation and it is surprising that no-one has highlighted the error before this. When I reflect on it, I recall that it is 1993. Our planning allows us to be ready for the World Youth Cup in 1993, irrespective of the fact that we do not have funds this year for the upgrading process to commence.

We have contingency plans available, and we shall meet the federation to discuss them in the next few weeks. Options will be examined. Even if we cannot get the full funds next year, we may have options that will allow us to qualify under the international rules to play the segment of the World Youth Cup here in 1993. We have some options available, but I will be driving to ensure that we can go ahead with a whole stadium upgrade.

We must be clear that the upgrade is beyond what would be required by the world body. We are opting for a whole international stadium facility, upgrading the western stand and building a new eastern stand with an office and shop complex, which would allow funds to be generated and would allow for the continuation of the development of the Hindmarsh Stadium beyond that proposal. It would provide a funding base for soccer and for the Soccer Federation to expand the whole facility in the northern end and the southern end.

I assure the Committee that our timing is such that we still believe that we can quite readily meet the requirements to qualify, given the funds, so that we can get back into the program—given the \$3.9 million commitment. Also, we are looking at contingencies that would allow us to qualify to meet the world body standard, which would be not going for our full international program.

I apologise to the Committee. I have had it confirmed that the date should be 1993. It is a typing error. It was a major public document. It surprises me that no-one picked up the error until today, but we are able to cope with that with one or two of the contingencies.

The Hon. JENNIFER CASHMORE: I refer the Minister to page 108 of the Program Estimates and make him aware, if he is not already aware, that at a public meeting last Friday evening organised to promote the concept of a southern region sports complex, the Minister's representative, a member of his staff, spoke on the Minister's behalf. Among other things, he told those present that he knew that the Minister was considering Foundation SA money being used for capital expenditure. I am advised that the statement was met with some enthusiasm. Therefore, will the Minister explain what he and the Government have in mind? Is capital expenditure to apply to equipment as well as to capital grants? When will such a change to the present funding arrangements be implemented?

The Hon. M.K. Mayes: The honourable member knows that I cannot interfere with the processes and the decisions of Foundation SA. Certainly, there is no prohibition on individuals suggesting to members the trustees' options that could be considered. I have made numerous suggestions on occasions, through the Chairman, of ways in which I think that sport in this State can be enhanced. It is for the trustees to decide whether to take those suggestions on board. I

make no apology. A section of money should be set aside or there should be a process by which Foundation SA could consider capital works programs whether at a local or facility level, but it should not cut across the development of sport, sports programs or policies that have been established by those sports in this State.

On occasion I have made suggestions through the Chairman of Foundation SA. Whatever it does with them is its business. As Minister of Recreation and Sport I have a right and responsibility to raise those issues because they are raised with me constantly by sporting communities. That is what I do. What it does with them is its business.

The Hon. JENNIFER CASHMORE: As the Minister explained, the present legislation prohibits him from making such determinations. Is the Minister aware that his representative told the meeting that the Minister was considering legislative changes to enable that to occur? If so, on whose authority was that said? I repeat, what does the Minister have in mind by way of alteration to the legislation?

The Hon. M.K. Mayes: I am not sure whether the honourable member was at the meeting. If that was said, it was not said with my authority. The process is not being considered. I cannot make any comment about it because it is not being contemplated by me or by the Government at this point.

The Hon. JENNIFER CASHMORE: There will need to be explanations given to those who were at the meeting, if that is the case.

Mr QUIRKE: I feel like an orphan; I do not bet. I have not been known to go into pubs and clubs very much, and I am a Port supporter. On Foundation SA funds as well as those of the Department of Recreation and Sport, I am approached by several sporting organisations in my area for help in either establishing or re-establishing certain facilities in the general community. I am not talking of peak sporting facilities in the sense of velodromes, and so on. One case in point is the Para Hills Bowling Club which to date does not have a bowling ball, and so on, but the members are busy raising as much money as they can. They are somewhat at a loss to establish any kind of criteria with their peak organisation at this stage to try to bite into sources of funding either through Foundation SA or through any other source. What avenues are available for community organisations such as the one that I have cited to approach the Government in one form or another to obtain assistance? Must it all be done through the peak organisation?

The Hon. M.K. Mayes: If I may digress for a moment to answer the question by the member for Coles regarding the meeting of the southern sports facility, I have just checked with my ministerial officer who was present. He did not say that legislation would be altered or that we were contemplating changing the legislation to provide Foundation SA with a vehicle or a means of providing facilities funding for capital. He has categorically denied that any such statement was made. I want to make the record quite clear. There has been a lot said by a lot of people in the south. The matter is very emotional and people can often easily mishear things—some deliberately, some because they want to hear what they think should be said. Both the Director and my ministerial officer categorically deny that any such statement was made at that meeting.

Mr OSWALD: The Minister is considering changes—

The Hon. M.K. Mayes: That is not legislative changes—

The CHAIRMAN: The member for Morphett will have a chance to ask his questions and the Minister will have a chance to respond. I ask the member for Morphett and the Minister to refrain from debating the subject. I give the next question to the member for Playford.

Mr QUIRKE: I am waiting for a reply.

The Hon. M.K. Mayes: I appreciate the honourable member's question because most members certainly have some difficulty with regard to pointing their local clubs in a direction to seek assistance to obtain funding whether for recurrent needs or for capital purposes. The avenue that we had was the local facilities funding, which, because of financial constraints, we have not been able to fund for the past three years. That was a useful fund, although it was under enormous stress. In the last year we had about \$900 000 in it. We received applications from sporting organisations of about \$13.5 million. It was never able to satisfy the demands of the community.

I touched on the issue of Foundation SA. In my discussions with the Chairman I have occasionally raised the issue of its being able to address local facilities in local clubs. It can manage it. It is concerned, and rightly so, about the administration costs, but there are ways in which that can be handled quite efficiently and effectively. It would seem to be an appropriate matter for Foundation SA to be involved in. However, I leave that matter as it is because it is for it to decide. It can no doubt make that decision quite competently without any further contribution from me today.

In relation to other sources of funds, Federal funds have been available and may be rekindled. I spoke to the Federal Minister last week, and I perceive that she is contemplating further funding for regional and local facilities.

It will not be a huge amount of money from the point of view of national distribution. There will be some moneys in there, but it is certainly an avenue that we ought to keep in the back of our mind. As to how local clubs should access those funds is relevant, on the basis of what we do with regard to the programs that are being followed by sporting organisations. It is important that they dovetail into what the State sports body might be doing; for example, if it is a tennis club, that it fit into the South Australian Tennis Association or the Hardcourt Tennis Association's development program if, say, they are looking at a development officer or a promotions officer for their local club. This is because there can be occasions when it might cut across the sport policy that is being developed for the State.

At the level of capital facilities, there is probably less need for a direct reference, unless there will be some obvious conflict between the organisations and the State body. At this point, I have little joy for the honourable member as to what access can be provided, other than to hope that we have some windfall in the budget next year so that we can get our local facilities funds going again, that the Federal Government comes to the party or that Foundation SA embarks on broadening its scope in that it offers funds to local facilities. Federal Government funding is an opportunity we might seek, and perhaps Foundation SA might contemplate providing local facility funding as well.

Mr QUIRKE: As a supplementary question, with regard to Foundation SA, in the last part of the answer when the Minister was talking about local facilities, he said that funding is an option for Foundation SA. I take the opportunity to place on the public record the fact that there is some disquiet, particularly in the outer metropolitan clubs that Foundation SA funds directed through the peak organisations do not necessarily flow out to them. Obviously, there will always be arguments such as, 'If you give me more money, everything would be more balanced,' but there appear to be some problems in some organisations and, without canvassing them here today, it is an area of concern. I hope that the Minister can take up with Foundation SA the matter of the suitability of some of the funding decisions that are made through the various peak organisations, and

the fact that there needs to be a fair dispersion of funds into a number of different sporting communities and areas, and it needs to be seen as fair.

The Hon. M.K. Mayes: I have probably canvassed the general issue, but I will undertake for the member to convey his question to the Chairman of Foundation SA. It is something that Foundation SA has taken on board. Most of us working in Foundation SA would not find it too difficult handing out \$3.5 million; we would relish the task. But there are difficulties in doing so, because one can never please all the people all the time.

I think Foundation SA has done a reasonable job, quite frankly, and some of the criticism that has been levelled at it lately is unfair, because it has been a difficult task to establish a proper foundation, and a criterion by which it can operate. The Chairman, Mr David David, has undertaken his task with the degree of professionalism and enthusiasm that he exhibits in his other activities in the community, and with a commitment which few people would be prepared to make, with their own time.

There is no doubt that, in getting an organisation like this in place, there are teething problems. They have been encountered, and I think those views have been conveyed to the Chairman by various people in the community and a number of sporting organisations have not been backward in making these comments to Foundation SA, and I am sure the organisation would be aware of them. There have been changes to personnel in the trustees and, from my point of view of the nominees, I am delighted to nominate Mr Max Basheer to continue, and for him to be joined by Mrs Val Nairn, who has an extraordinary and eminent career both in sport (hockey) and as a community member. I think they are sensitive to the problem and they have certainly never been reluctant to discuss it with members of Parliament or members of the community.

Mr QUIRKE: What strategy is planned for stage two of Adelaide's bid for the 1998 Commonwealth Games, and what are the anticipated benefits for Adelaide, should the bid be successful?

The Hon. M.K. Mayes: We are in that process right now. I know I have said this before, but allow me to repeat myself for a moment: I would like to thank those people who have played a part in stage one, including our colleague, the member for Hanson, Mr Heini Becker, who is right here with us. It was a great team effort and, in my view, a bipartisan and very successful team effort. Stage two widens our scope; we must look at it from an international point of view. I clarify that what was in the front page of the *Advertiser* yesterday morning was not an accurate report of my statement, which was that the actual exercise that Melbourne had been through with its bid for the Olympics in 1996 was very useful for us, because it opened doors and created a platform from which we could launch our bid. The people involved in the Melbourne bid have been active in the Asian, Carribean and African countries and Europe, and I publicly record my sincere condolences to them in their failure to get the bid. I think their bid was very professional; I saw their documentation. They were certainly not beaten on the quality of the bid documentation or the work that went into the bid.

As for us, we have to look at it from the point of view of sport. I am sure the Committee members who have been part of stage one would endorse my belief that the reason our promotion won stage one from Perth, in a very fierce competition, was that we put a professional document to the sporting organisations. We are appealing here to the sporting organisations. We are looking at those 67 countries which participate in the Commonwealth Games from the

point of view of what we provide for sport; and our infrastructure and professionalism as a community—and I believe South Australians undersell their competence and skill—will, I believe, get us across the line, because we have a team of people who will present to the international sporting community (the 67 countries) the quality of our sporting environment, the facilities, the positive relationship between the Government (and I include Parliament), sport, business, the media, and the community as a whole.

Our record of achievements is very significant, whether one talks about Formula One racing or events such as test cricket, any sporting festival or the Festival of Arts; all of those are very important in our track record.

The quality of the city and of the people are also a very significant part of it. We need about 7 000 volunteers over a period of about two months who will be skilled in a whole range of activities such as computer literacy, tourism experience, in the sense of being able to handle a range of activities, including the accreditation of international delegates, handling sporting and media people and handling a whole range of difficulties that they will encounter. We will need about 20 000 people over the 10 days of the Commonwealth Games who are skilled in handling and assisting the expected 18 000 interstate and overseas visitors, and probably there will be more by 1998. Adelaide is an easy and accessible city to get around in, but visitors will need assistance in doing all these things.

I say again: our emphasis will be sport-driven. We aim to present to the sporting bodies of those countries the fact that this city will provide the best ever opportunity of a Commonwealth Games. 1988 will be the best games; we know it will be, because we deliver the goods when we say we will. Our focus will be on sport. People talk about the options of the countries competing against us. I am sure we all want to see a developing country have the opportunity that a Commonwealth Games will provide. However, we must provide not just warm glowing inner statements but a real support so that we can stage a games that will continue to grow and continue the record and success that Auckland achieved.

People look back at the 1982 games and say that Brisbane staged the best games ever. When we talk about benefits, people should speak to Mr David Smith, the Managing Director of the *Advertiser*. He was involved in the media at the time of the Brisbane Games. He said that it made Brisbane the city it is. I had the opportunity to work in Brisbane during the 1970s, and it was then a sleepy hollow, and not a very well organised city. When I returned in the 1980s, the city had changed. It has become a vibrant, viable and alive city. We cannot say that Adelaide is not alive, because it is, but it will make this city. It will give us an international profile. It will be a great festival which we will be able to look back on as being a huge success and part of the Adelaide scene.

Mr QUIRKE: Last year the Minister reported to this Committee that the Government did not support the use of rainforest timber for the velodrome track. I have read reports that the velodrome now will be a covered, timber surface velodrome. What type of timber will be used for the track?

The Hon. M.K. Mayes: I have announced that we will build a timber covered velodrome at a cost of \$13.5 million. Part of the commitment given by the bid committee to the ACGA was that if we won the Australian section we would build a covered velodrome. Previously we made a commitment not to use rainforest timber. I had an extraordinary experience in finding a timber, when considering an uncovered velodrome. We could not find a non-forest timber

which would be of sufficient durability and one which would wear in accordance with the required standards. After a very useful meeting (from the Commonwealth Games point of view) with our international delegate, I announced that we would use Afzelia. It is a plantation timber but we discovered that it was not old enough—that is, it would not provide sufficient lengths as would be required while satisfying this Government's requirement that we would not use virgin forest timber.

We are now looking at a Siberian spruce timber (plantation) which is of the required quality and durability for the surface. It is the sort we need to provide an international quality surface. We have considered the Tasmanian Oak which was the timber used for the Launceston velodrome. Unfortunately, it is splintering and we received a report quite recently of a severe 7 inch sliver of timber which penetrated a leg of a cyclist. That is one of our problems. It is important for those members who have not seen a velodrome to understand what it is, and I encourage them to do so. I know that the Public Works Standing Committee will be inspecting the Western Australian velodrome shortly.

We will be employing an ex-patriot, who is now the world authority on timber track velodromes, to be responsible for the construction. He built the Athens velodrome (and I wonder now if Athens regrets that decision). He is building a velodrome in Barcelona also. I think he has built about 19 velodromes of timber construction throughout the world. Ours will be the latest and, I am sure, the best.

The surface is constructed using the edges of the timber slats, not the planed surfaces. It is a very unique construction. I was fortunate to see the velodrome in Edinburgh. That I think was constructed from rainforest timber. It is exposed to the same extremities of moisture and temperature as ours will be, although ours will be in an air-conditioned environment, so it will be in an ambient range. It is slatted edge-wise with a minimum distance between each slat to allow for expansion and contraction.

It must be a timber that is not surfaced because of the maximum speeds we hope the riders will reach. We want riders such as Vinnicombe and Neiwand to attempt world titles times, that is, 1.02 minutes for the kilometre. It must be of a raw or cut finish, so PVC or varnish cannot be applied to it. It is exposed to a particular environmental range of temperatures and moistures to which timbers without surface covers would not normally be exposed. The timber must be of 6 metre lengths in order to provide the slope length, so we require trees of a certain age to provide that length of timber.

We are looking now at the Siberian plantation timber because it has been exposed to very little temperature ranges, thus providing an even growth of the tree resulting in a timber quality that will meet our standards. We are concerned about the oak because those who have watched track riding would know that the riders follow a particular pattern. Depending on the lap, they either go high or come down low on the track and run a particular path. Therefore, we cannot afford to have a timber which will groove because of the constant tracking by the cyclists.

The matter has now been referred to the Public Works Standing Committee. I have given approval for that committee to travel to Western Australia shortly. The matter will be put to Cabinet in the next week or so. It is important that that committee is fully *au fait* with the technical requirements specified for this indoor track. It will probably be the best indoor track in the world. This will involve the Australian Institute of Sport cycling program. The President of Cycling Australia, Mr Ray Godkin, has given an undertaking that Australia's cyclists will do their preparations for

Barcelona there. Various programs are being floated in terms of international events. They will include international match racing events, so we may have the East Germans and the Russians coming through.

One thing that we South Australians do not realise is that, in a small country of 16 million people, we present the best or second best track cyclists in the world. That fact is very significant, and often we do not realise that we have some of the best cyclists in the world travelling up Gorge Road of a Saturday morning. The effort that these athletes put in to reach that standard—to be just .002 of a second behind the Russian—is just extraordinary. The time and commitment put in by the coach, the mechanics and the sports psychologists who get these athletes to this level is just outstanding. We often underestimate what we have in South Australia.

South Australians will see their children grow up to witness people achieving world records and winning gold medals as a result of this community's support of cyclists. It will be exciting. It will be expensive, involving \$13.5 million of taxpayers' funds into that facility, but we will see the benefit. Cycling is a great sport and I hope that more people go out on the roads as a consequence. About a quarter of South Australia's population already cycle at one time or another. I hope that this project encourages more people to get out and exercise. There is benefit for all of us in that.

Mr QUIRKE: As a supplementary question, some of my constituents are concerned about access to this and other facilities being built in my electorate, for example, the hockey stadium for local communities. Such a facility is an asset and because of the expense involved, such assets have to be administered properly but what is the policy concerning local community use of this and other facilities?

The Hon. M.K. Mayes: The department is looking at the options that it can put to the federation, but we must bear in mind that we have a commitment to it that it is the centre of cycling in Australia. We are looking at a range of alternative uses when it is not using the facility, and we will be including local access to the facilities. The Public Works Standing Committee will inspect the facility in Western Australia where roller skating is undertaken in the middle of the velodrome. That facility will not be as good as ours, because it will have a roof on it, but no airconditioning or lighting, as we will have.

Our range of options will be much better than those in Western Australia. I would not want to be in a non-airconditioned velodrome on a 40 degree day roller skating; I could think of other places I would rather be. We will take on board the concerns expressed by the honourable member and, as part of the efficient use of the facility, given the cost incurred by the taxpayer, we must ensure that it has maximum use for other activities. I can assure the honourable member that local community members will have access for other activities in the facility. I understand fully his concerns as a local member.

Mr BECKER: Will the State Government be making any funding available for 1990-91 for the Happy Valley Hockey Club for its facility at Brighton? If not, when, if at all, can the club expect assistance to supplement the funding that it has received from the Commonwealth?

The Hon. M.K. Mayes: This is a unique situation because there was virtually no consultation with us from the Federal Government when the funds were allocated to the Happy Valley Hockey Club. Indeed, it caught the sporting association and Hockey South Australia a bit by surprise. We had not in any way allocated any funds for Happy Valley. It obtained a grant of \$180 000 from the Commonwealth Government to develop an artificial grass hockey pitch. Due to

objections from local residents in the Happy Valley/Noarlunga area, the project could not proceed. Now it has been taken over by Brighton council, as the honourable member is aware.

The site currently being considered is the disused Brighton City Soccer Club grounds at Kauri Parade Reserve. Seacliff Tennis Club also received a grant of \$50 000 from the Commonwealth to construct additional tennis courts. Because neither grant to Happy Valley nor the Seacliff Tennis Club was sufficient to proceed, the two clubs have combined their resources to look at a joint facility. At no stage have we indicated that we had any funds. They were not on our priority list and were not part of our development project; nor were they part of our consideration as such of southern facilities. They were just taken as one of the clubs. It is fair to say that we would not be looking at that as any special exercise as part of our program, because we want to look at local facilities. I have told the Chairman of the Southern Sports Facility Campaign Committee, 'Yes, my door is open to look at southern facilities. Hockey and tennis would be part of that. The questions we have to answer relate to local facilities and the need for local facilities.' I concede that there is a need for local facilities, as against a multi-million dollar complex which might serve only a small portion of the community and which would appear from the McGregor survey reports not to meet the requirements of the general community as a whole.

In answer to the question: on current estimates the shortfall of funds needed by Happy Valley and Seacliff is nearly \$250 000, and it certainly is not, and never was, in our program. It was a bolt out of the blue for us, and it was the same for most of the organisations involved, including Hockey SA.

Mr BECKER: Baseball has one of the largest participation levels in primary schools. It regularly receives requests to conduct international championships at both senior and junior levels. This year the sport was approached by a Japanese professional team to conduct its pre-season training in Adelaide, involving about 200 visitors for about five or six weeks. The sport was forced to decline this visit because of a lack of a suitable playing venue. In the budget this year the Government has withdrawn its promise of funding for lights and changerooms for baseball. In view of this, is the Minister in a position to give a watertight guarantee that the money will be available in the 1991-92 budget?

The Hon. M.K. Mayes: A number of discussions have been undertaken with S.A. Baseball. It is fair to say at this time that both S.A. Baseball and the Government are leaving their options open because of interesting developments occurring with the SANFL and the announcement by Norwood Football Club, which throws an interesting perspective on the whole baseball issue. The S.A. Baseball League has negotiated with Norwood Football Club a two year plus two year sole lease on Norwood oval for the period October to February. This means that we will be able to provide funding to enable it to provide an international standard surface. I agree fully with the opening comments of the honourable member about the need to support local baseball, and certainly our commitment has been to that.

The playing surface at Norwood oval is being upgraded at a cost of \$45 000. The Government has an ongoing commitment to maintain that surface for each of those seasons. When football goes out and baseball comes in, we are committed to maintain a facility at that international level. We are not walking away from the needs of baseball. There is fair community support for the idea of keeping an oval like Norwood or Thebarton as a focus. Also, the Pines is there. We have purchased land at a cost of \$1.04 million

to provide for a baseball diamond. We have provided funds for the continuation of planning of that but, having had discussions with S.A. Baseball, we are holding that in abeyance pending what might come out of various other events in the community. So, we might look at relocating some of that money across to the development of what might become the home of S.A. Baseball.

We must be realistic. We can talk about southern and northern sports. We have members from both northern and southern regions. Just now the south is the focus of attention, but members from areas north of the city constantly claim that they need facilities in their areas as well. Most sports want to be within an east/west vein based on the CBD. There is no question about that in respect of basketball or netball. When I asked netball whether it wanted to go south, it was not keen, as it wanted to be somewhere within the focus of the city area, preferably Edwards Park, because it gives a transport focus for its sport.

That is what is happening. Things are fluid at the moment. One could say that that has been the case for a while. However, there could be a better focus, and we are giving an undertaking to keep Norwood oval at a standard where we will not get the outfielder going in at night to pick up the ball when it is hit along the ground at about 80 miles an hour, and suddenly the player has a ball in his mouth. That was the problem. I have seen it live when the surface was more like a sheet of corrugated iron, and any outfielder who went in with any certainty to collect a ball found that there was a good chance that he would get it on any part of his body, except his glove. The issue is being addressed at that level.

[Sitting suspended from 1 to 2 p.m.]

Mr BECKER: The booklet 'The Budget and Its Impact on Women 1990-91' at page 135 refers to the department having eight committees with a total of 20 female and 52 male members. Will the Minister advise the Committee of the following information: the title of each committee; the names of the members of each committee; the functions of those committees; the date on which they were formed; the amount of membership fees and where they are paid; the budgeted cost of serving the committees and how often the committees meet? The Minister may take the question on notice if he so desires.

The Hon. M.K. Mayes: Given the detail that the honourable member wants, I will take the question on notice and in due course respond in detail.

Mr HERON: The institute has been developing a pilot program aimed at establishing a neighbourhood fitness network in conjunction with the Commonwealth Government. What is the program intended to achieve and what is the extent of the Commonwealth Government's contribution?

The Hon. M.K. Mayes: The program to which the honourable member refers has been given the title of 'Local Motion'. It is a very interesting concept and certainly one that has drawn the support of the Federal Government. Its contribution will be about \$50 000. We are hoping that a further \$25 000 of Commonwealth funding will be provided. We are looking at the council areas of Woodville and Tea Tree Gully. They have been chosen for the project because of their contrasting socio-economic and demographic composition. It is referred to on the basis of funding and is a joint initiative of the The Recreation Institute and the Commonwealth Department of Arts, Sports, Environment, Tourism and Territories. The pilot program is being introduced in Adelaide this financial year, and its aim is to create an environment in which people are encouraged to become involved in regular physical activity within their

neighbourhood. It is quite an exciting concept. The people charged with the task will be working with local communities to establish this community event.

It will involve itself in a variety of recreational pursuits and will be working with existing infrastructure. The catalyst that will be used to encourage individuals will be schools, clubs, councils, businesses, community neighbourhood houses and community centres—all those existing facilities. The existing neighbourhood network will be identified, allowing the project team to link in with their existing facilities and existing structure and infrastructure in administration and so expand recreation opportunities.

We are basically reaching out to those people who may not normally want to be involved in institutionalised activity but who feel very comfortable in their own local environment working with people with whom they feel comfortable; they can become involved in a number of activities in which they would not normally become involved. It is an exciting program which is being watched closely by a number of people and by the Federal Government. This financial year we will be carefully assessing the impact that it has on those two local communities.

Mr HERON: What financial assistance did the Government provide to the State associations in 1989, and what monetary assistance is proposed for 1990?

The Hon. M.K. Mayes: There has been ongoing assistance to the community, and we can run through it in detail. I will give an overview. In excess of \$600 000 has been provided through the Department of Recreation and Sport and through the Recreation Institute to over 40 State associations. I could list each financial grant. I can supply a list of those organisations to the Committee and will be happy to do so. It should be noted that a large amount of funding was issued to associations which are essentially for community safety and to associations that support the disadvantaged.

Included in the groups are such essential organisations as the South Australian Surf Lifesaving Association and the Volunteer Coastguard. Obviously, the contribution made by the Surf Lifesaving Association to this community is quite enormous. I was pleased to see the Cabinet decision recently instituting two helicopters as part of our safety program. Having spoken to key figures, I am sure that the Surf Lifesaving Association is pleased that we have gone for the smaller and larger helicopters so that we can offer a variety of services to our community. It is a significant statement.

Funds have also gone to providing for some disadvantaged groups such as Aboriginal recreation and sport, the disabled and many minority groups which have not had support, including Aboriginal sport and women's sport and recreation—overall a very important program instituted this financial year. I am happy to provide a full list of all donations.

Mr HERON: I refer to page 291 of the Program Estimates under the heading '1990-91 specific targets'. Half-way down the page it states:

Increase the number of international athletes from South Australia in national teams.

Will the Minister explain how the dept will go about that?

The Hon. M.K. Mayes: In doing so I reinforce what we have achieved in the past with regard to international athletes. We often overlook the success that South Australia has had in the sporting field. If we look back on the Los Angeles Olympic Games in 1984, we find that South Australia came 16th in the world with its tally of medals. That is indeed significant with our population of 1.3 million, and it shows that we are doing something right. A large part of this is to do with the Sports Institute and the sporting

bodies, and the relationship between them and the Government. In terms of the development of our international opportunities and our programs which will support our international athletes, through the Sports Institute our aim is to develop the professionalism and capacities of that institution to enable it to provide the sorts of support and mechanisms to allow our international athletes to compete at all levels.

If we look at the areas upon which we have concentrated in terms of the development programs and in bringing in our own State coaches as part of the SASI program (we have something like 40 coaches in the system, including our apprenticeship trainees for women), we see that we have established in a variety of sports an elite base of information, training techniques and support that other States do not have.

There is no doubt that our Sports Institute is well ahead of those in the rest of Australia. We have been used as a model in Western Australia. The Federal Government uses us as an example for other States and works closely with us in our development programs. That is very fundamental in what we achieve in terms of our national and international presence. For example, with lawn bowls we have just achieved the best results in the recent nationals. We have instituted over the past year our full-time coaching program, and already we are seeing direct benefits to lawn bowls in this State. Again, we are ahead of the rest of Australia in this area. No doubt they will wake up and try to equal us. Those sort of endeavours, which cost money, we have pursued quite successfully.

I believe that we have already started to show the public that there are rewards for pursuing this sort of elite sport development. As clarification, we have 19 full-time programs supervised by 21 full-time SASI coaches. In alphabetical terms, those programs run from badminton right through to weight lifting. Womens' lacrosse and fencing have a part-time program run through SASI as well. If one looks at it, one will see that we are developing techniques, skills, an information base and people from our base of young athletes and, indeed, our elderly athletes—right through the age range—who have the capacity to compete at the international level. That is very significant. Events that come to mind are netball and other tests. In fact, the national netball championships will be held in Adelaide next week. Netball is one of our coaching programs.

Mr OSWALD: I refer to page 292 of the Program Estimates. Has the TAB been successful in selling its fixed odds computer betting system anywhere in the world? If so, where has it been trialled and, if not, what is the resistance to its introduction?

The Hon. M.K. Mayes: Yes, the TAB has been successful in selling the fixed odds system. It has been sold to International Totalisator Systems, which is based in San Diego. That company paid \$US250 000 for the marketing.

Mr OSWALD: As a supplementary question, is it already up and running, being trialled or still in the experimental stage?

The Hon. M.K. Mayes: It is still in the experimental stage.

Mr OSWALD: Will the Minister provide details, on notice if he wishes, of all South Australian sporting organisations and units, including the Junior Sports Development Unit, that received funding during 1989-90 from the Australian Sports Institute and that are due to receive funding for 1990-91? Is the Junior Sports Development Unit totally dependent on funds received from ASI to run or were funds received from other sources in 1989 and 1990, and is it anticipated that the unit will require funds in 1991?

The Hon. M.K. Mayes: The funds injected into the Junior Sports Unit come from the following sources: Australian Sports Commission provided \$257 000 and the South Australian Sports Institute provided \$80 000. I will have to take on notice the detailed question because I would like to be quite accurate in my response.

Mr OSWALD: On page 292 of the Program Estimates, under the '1990-91 Specific Targets and Objectives', reference is made to a comprehensive review of the rules of betting applicable to bookmakers. As a consequence of the Government's permitting the proliferation of off-course gambling outlets, such as the Adelaide Casino, PubTab, TAB auditoriums, increased lotteries agencies and clubs and newsagent keno facilities, which have resulted in a large increase in Government revenue and a consequent deleterious effect on on-course attendances at the races for the three codes, has the Minister any concrete program to alleviate the burden of the turnover tax placed on the on-course bookmaker?

The Hon. M.K. Mayes: I take issue with some of the comments made by the honourable member about PubTab having a deleterious impact on bookmakers. I commented earlier that that is a very simplistic analysis of the situation. In fact, we are faced with a situation where, in my view—and I think it is the view of many professionals in the area—racing is competing with the entertainment industry and people are demanding a lot more for their entertainment dollar. Therefore, the industry is faced with having to compete to get people through the door. PubTab has actually picked up a lot of new money and taken a lot away from the small SP operators. I think that there is a fair amount of evidence to support that, be it anecdotal or statistical evidence.

I also think that it is important to note very clearly that PubTab has been a tremendous boon for the industry and, without it, in these times, if I had not established a working party and loosened up the provisions of PubTab, the industry would have been in a very perilous situation. Therefore, I do not accept the honourable member's preliminary statement about the situation. We have a broader issue on our hands—to get people to go to the races.

I do not believe that the turnover tax is onerous at all. It certainly is a proportion of the disbursement of funds from bookmakers. It averages about 2.25 per cent, and that average covers the range that can be charged. It is not a huge impediment, given that the TAB return to the industry and to Government is about 14 per cent or 15 per cent. We will certainly consider that, but it is not something that, in the current Treasury environment, I would be confident that we will be adjusting. I think the issue is much broader than the turnover tax. There has to be a community assessment of the impact that their decision will have on bookmaking.

Mr ATKINSON: I refer to page 292 of the Program Estimates, under the title 'Racing and Gaming'. Mention is made of a specific target in 1990-91 being an investigation of the number of race meetings. What has prompted this investigation?

The Hon. M.K. Mayes: Obviously, there has been a number of areas in which demand for meetings has increased. From the industry point of view, there needs to be a very careful assessment of the quality of meetings being held. Of course, that is directly correlated, in my view, to the numbers. It is important that, in order to attract people to race meetings—and I use that term to embrace the three codes—we offer quality facilities. People are less and less inclined to go to meetings that offer very ordinary fields and that are providing very ordinary facilities. We are dissipating the potential of the industry to generate good quality crowds

and to provide good quality facilities that the more regularly patronised and more established tracks enjoy. I am sure the honourable member is aware that there has been ongoing debate about the number of country circuits, their quality and the standard of facilities. When one is as stretched for dollars as is this industry and as we are, one has to look at each facility and ask how much the dollars can be stretched. Is it not better to have better quality facilities to attract more people?

There are some very good tracks around the State, including Balaklava, which is a first class facility and which runs an excellent carnival. Mount Gambier and Murray Bridge, also spring to mind. We also have country harness racing facilities. Therefore, it is important that the industry keeps that on the agenda, as part and parcel of looking at what should be the situation at the end of the decade and at the beginning of the next century.

Mr ATKINSON: What racecourse developments are planned in the next 12 months (Program Estimates, page 292)?

The Hon. M.K. Mayes: Significant funding has been made to the Racecourse Development Board. The background of that funding and the fund's annual income are important. There is a percentage of multiple betting from both the oncourse and offcourse totalizator and a percentage of fractions and unclaimed dividends which goes into a general pool. Last year, the annual income from the separate funds of each of the codes was \$3.06 million for galloping, \$850 000 for harness racing, and \$500 000 for greyhound racing.

In terms of its program, the board looks at the next 12 to 18 months and makes an assessment of what it needs to do. Its projects include a progress payment for the Cheltenham grandstand of \$1.5 million and an equine swimming pool at Morphettville at a cost of nearly \$500 000. New horse stalls at Cheltenham will cost \$300 000 and the replacement of the woodfibre track at Morphettville will cost \$400 000. In addition, 25 steward surveillance towers will be constructed at various courses throughout the State at a cost of \$135 000.

I turn now to Oakbank, which is a very important facility for the racing industry and tourism in this State. It is planned to spend nearly \$800 000 on repairing the Shillabeer stand, flat facilities, toilets, an irrigation system and northern stand repairs. At Murray Bridge, money will be spent on a new administration block, toilets and renovation to the grandstand. At Strathalbyn, the totalizator building renovations will cost \$190 000 and Penola will get a new administration block.

For harness racing, \$100 000 will be made available for grandstand renovations at Whyalla and, at Globe Derby Park, there will be roadworks to a cost of \$150 000. For the Adelaide Greyhound Racing Club there will be repayments of the order of \$230 000, and \$100 000 will be provided for maintenance at various clubs around the State. A significant amount of money will be expended, contributing to the quality of facilities. Cheltenham racecourse, as the honourable member is aware, has benefited. It all leads to a positive future for racing in that part of Adelaide.

Mr ATKINSON: Has the department suggested in talks with bookmakers that, in return for bookmakers' dropping their objections to the TAB's offering fixed odds, the Government will no longer levy turnover tax on bookmakers? Does the Minister agree that such an arrangement would boost total revenue (Program Estimates, page 292)?

The Hon. M.K. Mayes: The discussion has been raised by bookmakers. I have not conceded anything, and I do not know whether anyone in the department has made any concessions. We discussed the interim stage of the intro-

duction of fixed odds betting and its long-term impact. It is all in abeyance at the moment, and my position is quite clear. Unless it has industry support, we will forget about it. It ground to a halt in Parliament last year. Potentially, overall revenue could increase with no turnover tax for bookmakers but that is a fairly unlikely outcome. There may be other ways of dealing with it, which would mean a possible increase in income to bookmakers. It is not off the agenda and it is certainly not out of the question. If fixed odds betting comes back on the agenda, it will be looked at in the overall discussions.

Mr OSWALD: I refer to page 108 of the Estimates of Payments and the State Shooting Park at Virginia. What estimates have been made for 1990-91 for the administration costs of running the park and for its planned development?

The Hon. M.K. Mayes: It is estimated that approximately \$53 000 is required to operate this facility for a full financial year. This income will be derived from licence fees from associations and profits from the bar and restaurant. That is what we are looking at to maintain the State Shooting Park.

Mr OSWALD: Is any redevelopment planned?

The Hon. M.K. Mayes: Given the bid for the Commonwealth Games and other commitments, some plans are being considered, but they are not yet firm. Another clay target is to be introduced for the Oceania Games and a target return device will be put in as part of the development of that facility.

Mr OSWALD: Will the Minister explain to the Committee the current management situation which has brought about:

- (1) the alienation of the principal shooting club at the park to the point at which it is negotiating for an alternative range site;
- (2) a deferment of action on the report on the range's safety by the Deputy Registrar of Firearms;
- (3) a departure from the department's policy of dealing only with State associations rather than individual clubs; and
- (4) the failure to follow up on expressions of interest by other State shooting associations, especially in relation to the development of the 200 metre range?

The Hon. M.K. Mayes: The honourable member put four questions into one. I assume that he is referring to the Adelaide Pistol Club as the club that has made some alternative arrangements. There is no question that difficulties have been encountered with the association's fitting in with the arrangements for the shooting park because it has to be managed as a composite body. Members of that club feel that the ambitions of the club are not being satisfied by those arrangements. It would be inappropriate for me to make any other comment. I believe that the club has looked at a property at Mallala with a view to relocation. That is its decision.

We have to ensure that it is a well-run park because the department has a huge responsibility to ensure the safety of people within the park. The manager of the park has pursued that issue with the utmost sensitivity and care. It has not been an easy task because, as the honourable member is probably aware, each organisation within the park group has its own ambitions and views about where they should be and how things should be handled. With any activity that has a peak body trying to resolve problems—football is no exception—a stage is reached at which not everyone is pleased. We are in that situation at the moment. Because of the Oceania Games, we have to ensure that the facility is of world class. International shooters and officials will

walk over the park, inspecting it for our Commonwealth Games bid. We do not want any ructions. We want harmony to prevail and we are endeavouring to ensure that most people are satisfied.

Mr OSWALD: What provision has the Government made to maintain payments from the TAB to the racing codes, with the erosion of their present income by the 800 video poker machines at the Adelaide Casino estimated to have an annual turnover of \$250 million? Is it the Government's intention that the TAB and the racing codes would be expected to take a loss in turnover and payouts to the codes to prop up the declining profits and patronage of the casino? That is the reason that we have been given for the introduction of video poker machines in the first place.

The Hon. M.K. Mayes: Obviously, I do not have responsibility for the casino. I am not prepared to comment on that.

Mr OSWALD: You do for the TAB.

The Hon. M.K. Mayes: Indeed I do for the TAB. I will certainly carefully monitor the situation with regard to the TAB. I am not one to hide my light under a bushel, and I shall not do so on this occasion. An Opposition member—it must have been the member for Morphett—accused me in relation to expanding into pub TAB and its having a detrimental impact upon the community as a whole.

Mr OSWALD interjecting:

The Hon. M.K. Mayes: Yes, on the bookmakers. One of my options for assisting the industry during the period when the casino was established was to allow an expansion of pub TABs to counter that. We cannot have it both ways. We must be consistent in these things. I am sure that if I announce a further extension of pub TABs or TAB facilities the honourable member will endorse and support me because I would be endeavouring to ensure that the racing industry continues to have its revenue maintained.

Mr OSWALD: As you know, Sir, I would do anything to support the racing industry as it is one of my main hobbies in this life. It is of great concern that—

The CHAIRMAN: Is this leading on to a supplementary question, or is it a comment or what? You have used up your three questions. You had two on the shooting park and one on the TAB. If it is a supplementary question for the Minister I will be prepared to accept it, but as long as it does not contain a preamble about your views on pub TAB. That would be contrary to the point of order that you raised this morning.

Mr OSWALD: Without testing your patience, Sir, I will not proceed. The Minister knows my thoughts on the racing industry.

Mr HERON: How is the department to implement and monitor the junior sports policy?

The Hon. M.K. Mayes: I am delighted to be able to explain that. We have taken a significant step in addressing the issue of junior sport in this State. Again, we shall be at the forefront, as we are in many things, of initiating a fairly exciting policy of encouraging young people to be involved in sport. One of my concerns—it has been shared by several of my colleagues and by the Chief Executive Officer of the department—is the falloff in participation by young women in sport, particularly those aged about 16.

It is significant in several sports such as tennis, netball and so on. They depart from their secondary schooling environment and embark on careers, university, further education and so on and lose contact with their sporting ties. In discussions with some of my younger female relatives, it is not exactly regarded as kosher or the thing to be seen doing. We must turn that attitude around. In the long term it leads to ill health and a situation in which young

women are not as fit, robust or as mentally attuned as they could be if they were involved in sporting or recreational programs.

We have set up a junior sports development unit. We have established direct links with sporting associations and we have established junior development officers linked with Education Department personnel who will be available to assist schools and sporting associations. It is intended to encourage young people to participate in sport and recreation. Service programs that directly facilitate that are linked with the Aussie Sports Program, which will be provided for teachers and coaches, so that there is a component policy base which will work with our junior sports unit. Wendy Ey is in charge of that development unit. A council which was established by me and approved by Cabinet works under the wing of the South Australian Sports Institute. They dovetail together.

Monitoring of the policy will be handled by the Junior Sports Development Unit using every agency that it can tie in, such as the Education Department, etc. The reporting procedure will be established from the major agencies. I am talking of the Department of Recreation and Sport and the Education Department and other sports organisations such as State associations, Catholic Education Office and the Independent Schools Sports Association. All those bodies will be used to tap in to support the junior sports program. The SAPSASA and SASI programs will ensure that school competitions are part of the implementation plan. All State sporting associations will advise their affiliates of their responsibilities as part of the implementation of that policy.

Talent squads and sports camps will be coordinated by the Junior Sports Development Unit in conjunction with sporting associations and the Education Department. It will be a comprehensive policy and implemented for the benefit of the whole community.

Mr OSWALD: I refer to page 108. With respect to the HDA's investment in Titan, why was taxpayers' money used to purchase an equipment-manufacturing company that was in obvious financial difficulties? What are the projected commercial returns to the taxpayer for that investment? What is the supporting evidence to substantiate the claims that Titan's marketing performance has dramatically improved since HDA has taken it over? That information is from the *Advertiser*.

The Hon. M.K. Mayes: The HDA is the Health Minister's responsibility. I shall clarify the matter because I want to be accurate. The circumstances of the HDA involvement are that we initially as a department—I shall correct this if our involvement is misunderstood by anyone—made some initial contribution to a fitness development program joined with the HDA. The actual maintenance and responsibility comes under the Health Commission and it has had full control of it. We had an initial contribution as part of a fitness program. That was the extent of our involvement and it has been limited to that entirely. I shall take that question on notice and give a more comprehensive answer to the honourable member, in accordance with the Standing Orders of the Committee.

Mr OSWALD: I re-ask a question that was asked before lunch by a member on the Government side of the Committee. If it was answered, that is fine, but I do not recall the detail of the Minister's reply. What are the criteria for allocating funds annually to support aquatic safety organisations such as the Volunteer Coastguard Association, the Surf Lifesaving Association and the Royal Lifesaving Society? Last year the Royal Lifesaving Society was accorded the status of a professional development organisation for 1989-90 and received \$20 000 as part of special grants to

organisations falling within the ambit of the State Recreation and Sport Institute Community Service Programs. What grant has been made available this year to the Royal Lifesaving Association?

The Hon. M.K. Mayes: That question has been asked and I gave an undertaking to supply the breakdown of funds. I will provide that information now. Last year the Royal Lifesaving Society received \$20 000, and the amount to be granted to them this year has not yet been finalised.

Mr OSWALD: At what stage in the year in the preparation of the budget did those figures become available?

The Hon. M.K. Mayes: We have tried to refine that, because I can recall that, when I was initially appointed Minister, it was late in the financial year; we basically try to fit it in as close to estimates time as possible, so I hope that we can make that announcement within the next few weeks.

Mr OSWALD: On Page 292, with regard to broad objectives, reference is made to advice being given to the Minister about proposals submitted by statutory authorities. With this in mind, I ask the Minister: what are the procedures in his department that allowed the very controversial rules governing greyhound racing to get to the stage of being considered by the Joint Committee on Subordinate Legislation? Certainly, they have been stalled by my notice of disallowance, but those rules have never been discussed by the industry.

When the clubs from Angle Vale and Gawler approached me, they said that very controversial rules had been established, on which there had been no consultation with the Minister, his officers or the department. I thought that if the controlling authority—the board—put up a change of rules, there would be mechanisms in place so that (in this case) the greyhound racing clubs would at least be acquainted with the controversial rules that were to be considered by Parliament, so that they could have an input in them and at least comment on them, even if the Government intended to bulldoze them through. At least, the clubs should have been allowed to comment, and I would like the Minister to explain the procedures that occurred within his office so that, in future, if any controversial variations to rules are going through, the sport at least hears about them.

The Hon. M.K. Mayes: As I understand the circumstances surrounding this particular set of amendments to the racing rules, the initiator of the change was the Greyhound Racing Board. Representatives of the Adelaide Greyhound Racing Club are on the board and I understand that the Adelaide Greyhound Racing Club actually lodged the objections with regard to the rules. So, it is really an industry matter, but I am happy to check with the Greyhound Racing Board as to how it followed that through, in terms of its consultations with its industry representatives. However, it would appear that the breakdown, if any, has occurred between the members of the board actually on the committee of the Greyhound Racing Club.

Mr OSWALD: The club's lodging its objections has taken place only because I sent it a copy of the rules, and there was absolute alarm that the rules had reached the point that they had. I accept what the Minister is saying: that there is a responsibility on the part of the club's representatives on the board, but as I understand, the way they were dealt with by the board, there was no problem with them and they were passed. From where the Minister is sitting, I guess it is difficult to ensure that the members of the boards are doing their job, nevertheless, the system has got very slack, because there is a great amount of heat in the greyhound racing industry, which we could have tried to head off with better administration somewhere. I am not criticising the

Minister in this case, but I am just trying to tidy up the procedure to avoid this occurring in future.

The Hon. M.K. Mayes: I am sure the honourable member has been on committees—I certainly have been—where representatives of organisations have accepted the rules, some amendment or some alteration to the procedures of the organisation, and they have returned to the organisation of origin, only to find that they have an uproar on their hands, because they have not properly consulted or properly involved their own organisation. I think it is up to the Greyhound Racing Board to ensure that those people know. I am informed that the committee members did know that the rule alterations were being proposed and, really, it is a question for the Adelaide Greyhound Racing Club and other clubs whose representatives are on the board, to ensure that their members are reporting to them accurately and comprehensively. If they do not, it would not matter what sort of administration is going on; if people do not take that information back to their club of origin, no amount of administrative assistance, other than something that would undermine the autonomy of those members and reflect on their capacity, would be a safeguard.

I will take the matter up with the Chairman of the Greyhound Racing Board, but I can almost guess right now what he will tell me. It is the administrative responsibility of those clubs to ensure that those representatives are competent to represent them on the board. I know of numerous occasions where people have spoken to me and have not understood, even though they have been explained very carefully the implications of a change. I have found them, a week or three weeks later, saying that the Minister said this when in fact I said exactly the opposite. I note the member's concern and I will take it up with the Chairman of the Greyhound Racing Board. I do not think that it is necessarily the administrative system that has failed, but perhaps the communication between the members of the board and their own clubs have failed.

Mr OSWALD: At page 401 of the Auditor-General's Report an explanation is given by the Auditor-General of the write-down of the net asset backing of 5AA, as well as assurances that the write-downs are in accordance with accounting standards. On my reading of that report I accept what he says, and I accept those standards. If the book asset value of 5AA and its licence were reduced, as per the Auditor-General's explanation, why could the company not remain at its reduced asset showing without also reducing its pay-out to the three racing codes? Is the \$1 million-plus deduction from the codes to be returned to assets in the station?

Does this mean that in future years we will see a recurrence of this? If an ordinary public company reduces the book value of its shares and assets, I thought it stayed as reduced book value until such time as the company was sold. I do not understand the economics of what has happened here, whereby the reduction in book value of the company means a reduction in pay-out to the racing codes. A lot of people in the industry are asking the same question. Perhaps, in the few minutes we have left, the Minister might explain what happened there, with the reduction in the asset value, and why the codes (and indeed the Government, because it had to bear half the loss) have had reduced payouts, which has had a flow-on effect now that we have lost certain facilities in some clubs and certain stake moneys.

The Hon. M.K. Mayes: It is a while since I have practised my accounting, but I will make a try. Basically, one is recording a loss of the order of \$3.3 million for 1989-90. That loss must go somewhere, and in the end it goes to the

profit and loss, so in fact you are writing down your return for that year in terms of your dividend to the owning groups which are the investment groups that have an interest in the industry, by statute in this case.

Various accounting methods can be applied, in my humble view. There is one obvious alternative accounting method, but it is really six of one and half a dozen of the other as to how it would impact, but it would impact as a loss. It is really a question of the degree of loss and whether it is taken in one lump sum or gradual amounts. It is an accounting process which has been accepted, but in fact you are recording a loss. Your book asset value reduces. Under the balanced double entry accounting system, ultimately you record a loss in your books, and that is where your dividend is reduced in terms of your pay-out.

However, I concede that there are alternative ways to deal with it, but this is in accordance with the Auditor-General's practice and meets required accounting standards for statutory authorities. That is the simplest explanation. If I embarked any further, I would need a blackboard and chalk to go through how one writes off and revalues an asset down, and where that loss goes in terms of both asset and liability reduction and how that is recorded in the profit and loss statement.

Mr OSWALD: So every time 5AA shows a loss, if it happens again, it will be a loss incurred in the pay-outs to the codes?

The Hon. M.K. Mayes: It is not recording a loss; it is recording a revaluation of an asset.

Mr OSWALD: If that happens—

The Hon. M.K. Mayes: It could be done this way again, and probably it would be, because it has been accepted as a standard practice. You could actually write off the loss in a slower period—that is, less loss. However, one would say that that is probably not acceptable in an accounting sense because you are then making some judgment about the loss of the value of that asset. In essence, if you are following current accounting techniques, your loss is recorded immediately.

If you have a taxation company—and I can advance various theories on this—where you are looking for tax credits, you may adjust that over a period of time. I am a bit rusty, but my understanding is that you could make some adjustments. If you had a good year, and you wanted to reduce your taxable income, you might do it in one hit, but if you had a bad year, you might delay it.

Mr ATKINSON: At page 395 of the Auditor-General's Report, reference is made to the Totalizator Agency Board's acquiring land at a cost of \$4.9 million of which \$3 million was financed by SAFA. Will the Minister explain the purchase?

The Hon. M.K. Mayes: This project will assist our construction industry, and that is very important from another aspect of my responsibilities. Any new buildings on our skyline will be of great benefit to our industry. I can assure members that, having had discussions with the whole industry just a few days ago, they are quite anxious to see all new approvals.

The TAB has specific needs, and I am sure all members, including the member for Morphett, appreciate the specific and special needs of a TAB facility. With reference to fixed odds betting, about which the honourable member has spoken quite frequently with me, there are particular needs for security—security for computers, information, and people's private files, etc. They must be catered for within the building. The board of the SATAB decided that it needed to upgrade its facilities, and chose 58-74 Franklin Street as the location of its new head office. The total cost to this point

in time is anticipated to be \$22 million, and I invite all members to look at the sketch plans, which are quite exciting in terms of the facility and its Franklin Street facade.

The TAB sought consent of the Treasurer to borrow \$17 million from SAFA in accordance with section 55 of the Racing Act. To date, the TAB has already purchased the land, and the site acquisition costs were \$4.9 million. Some \$3 million of this money has been borrowed from SAFA to finance that purchase. The construction of the new building and the options considered includes extending the existing building, reclaiming areas currently used by the harness and greyhound racing boards, and purchasing an existing building or lease.

The TAB has come down fairly strongly in favour of the construction of a new building, primarily because of the specialised nature of the TAB's operations, all the telephone betting facilities, engineering services that are required and a central site for the computer environment which has to link throughout South Australia. On balance, they have clearly decided that they need a specific building to cater for their present needs, and future growth, which I am sure we can anticipate. I think that canvasses all the options that were considered.

Mr ATKINSON: With reference to the development of recreation facilities on page 290 of the Program Estimates, the fostering of playgrounds is referred to. What does the Playgrounds Unit of the Recreation Institute do, and what has it planned for 1990-91?

The Hon. M.K. Mayes: The Playgrounds Unit is a very important section of our Government policy. In the past, a large number of children have been severely injured by inefficient and dangerous playground equipment and services. The Government believed that it must address this issue. I know that the honourable member has a fairly young child, and I have two young ones. Most parents realise the inherent dangers sometimes embodied in playground equipment. I must give a plug to my local council, because the Unley council has shown incredible initiative. It picked up this issue some years ago and set about a fairly extensive and expensive program of rejuvenating playgrounds throughout its area, including the addition of bark chip bases to the playground equipment and assessing all the equipment. Other councils have since done likewise, using the expertise of our very successful advisory unit. It has been used both as a private consultant and as an advisory body, both to the Government and the community. It has provided pretty staunch advice to enable the community to reduce the number of accidents.

Part of the development of new playground equipment has come about as a consequence of the work of our Playground Development Unit. Throughout the State we are beginning to see significant changes in the use and type of equipment that is available. The change is now obvious in schools, where the old jungle gym, which was very dangerous to children, is being phased out and more exciting equipment is replacing it. The honourable member shakes his head, but I know I became entangled in it quite often when I was a kid.

There are some really exciting and challenging pieces of playground equipment. About three weeks ago, I called in to the Hawker school. It has almost brand new playground equipment, some of which is just fantastic, including tunnels and various beams which are all safely constructed and on which the children can walk. Underneath the equipment is almost a metre of bark chip which allows for a reasonably soft landing, although if a child landed on its head, it would probably do some damage.

I will outline some of the things that have been achieved over the past year by our Playgrounds Unit. It has been to approximately 400 councils, council playgrounds and kindergartens. I am sure that members know that community groups have been referring to the Playgrounds Unit and have received excellent advice. They have found it a tremendous resource. Some of these pieces of equipment can be worth thousands of dollars. They have used it as a sensible basis of advice and support. Various planning sessions have been provided. Advice has been provided for playground development to a further 100 organisations. It has offered development advice on where they should go and have participated in a number of local government, Children's Services Office, South Australian Play and Education Department programs, as well as in family day care, playgroup and other seminars throughout the State, where they have made significant contributions. I was involved in one that was conducted for two days for people involved in playground use, including local government, play groups, and so on.

Several legal actions have been taken with large liability pay-outs. The Western Australian Government was the first to act, but we may have passed them in the straight. Some excellent work has been done by some of our local government authorities, as well as by the Government. Brochures have been put out giving advice on children's play, and they are very important. Kindy gym is very successful in this State as a contemporaneous program which runs with what is happening with Kindy gym. As a parent who has had a child in Kindy gym with another to go, I fully endorse all those linked programs. It is an exciting program which offers us protection for our children. About 300 children a year on average were severely injured by playground equipment in South Australia in the 1980s. The loss, distress and cost are quite enormous. We can do without that because our hospital service is under enough demand without having to deal with self-induced injuries because of inefficient equipment.

Mr OSWALD: I refer to the Estimates of Payments, page 107. Will the Minister, on notice, identify any payments to consultants during the 1989-90 period, the names of the consultants hired, the cost of the consultancy and the purpose involved? Will he also release to the Committee, if possible, any reports that were produced.

The Hon. M.K. Mayes: I will be delighted to provide that information. We certainly had a number of consultants, and I am sure that the honourable member is aware of one quite recently with the southern sports issue. I am more than happy to gather that information and provide whatever reports I can find to the honourable member. I encourage him to get a copy of the McGregor report into the southern sports facility. I will provide copies of that so that the honourable member can enjoy many hours reading, digesting and analysing.

The CHAIRMAN: There being no further questions, I declare the examination of the vote completed.

Works and Services—Department of Recreation and Sport, \$4 100 000—Examination declared completed.

Housing and Construction, \$38 928 000

Chairman:

The Hon. T.H. Hemmings

Members:

Mr M.J. Atkinson
The Hon. Jennifer Cashmore
Mr V.S. Heron
Mr I.P. Lewis
Mr W.A. Matthew
Mr J.A. Quirke

Witness:

The Hon. M.K. Mayes, Minister of Housing and Construction.

Departmental Advisers:

Mr G. Inns, Chief Executive, Sacon.
Mr R. Power, Director, Professional Services.
Mr D. Lambert, Director, Corporate Services.
Mr P. Hankinson, Director, Maintenance and Construction.
Mr S. Curtis, Manager, Financial Services, Office of Government Employee Housing.
Mr R. Frinsdorf, Director, Office Accommodation Division.
Mr I. Carter, Director, Aboriginal Works Division.

The CHAIRMAN: I declare the proposed payments open for examination. Have the lead speakers opening statements to make?

Mr LEWIS: No, Mr Chairman.

The Hon. M.K. Mayes: I have a statement but, before I get too far into proceedings, I reaffirm in terms of this session that we would intend to deal with the Office of Government Employee Housing. Obviously, having Mr Curtis here is an important resource and it is important that I make that clear from our point of view because of the budget lines.

In presenting for examination by the Estimates Committee the financial accounts of Sacon for the year ended 30 June 1990 and the budget for the current year, I would like to make a brief statement on the direction Sacon is taking to achieve a higher performance level in its property service role.

At last year's Estimates Committee, and in the 1988-89 annual report, an outline was given of the general changes in direction that Sacon is making to become a business structured activity. Moves towards establishing business units reflecting competitive service levels and profit centres are being designed in order that Sacon will become a commercially driven organisation.

A total review of management levels and a commitment to the reduction of overheads have been part of the changes taking place within the department in the past 12 months. A commitment to performance measurement and improving our customer services delivery are an integral part of the corporate plan that was adopted during the year. However, against a backdrop of a severe financial situation facing South Australia and outlined by the Premier in handing down the 1990-91 budget, more stringent changes than those outlined 12 months ago are now required.

The Department of Housing and Construction, known over the past 150 years as Works Department, Architect in Chief's Department and Public Buildings Department, has a proud tradition of delivering a wide variety of property services in an efficient and effective way. But tradition, custom and practice do not hold good for all time. More

effective ways of doing things must be constantly introduced. Indeed, examining whether everything traditionally done in the past should be continued into the indefinite future is an important part of management and good government.

Sometimes a critical situation is the accompanying catalyst to bring about change. In Sacon's case it has been the reason to bring about change more quickly. In presenting the 1990-91 budget the Premier announced the appointment of a review group, chaired by the Hon. Frank Blevins, Minister of Finance, to investigate management improvements and financial efficiencies in the public sector.

At the same time I announced a review of Sacon's activities by a review team to be chaired by Mr Hugh Hudson, now acting as a consultant to several Governments in Australia, and assisted by Mr Bob Mierisch, formerly Managing Director of Boulderstone Pty Ltd, and Mr Bill Cossey, Director, Government Management Board. That review team is to work in consultation with the Chief Executive of Sacon, Mr Graham Inns, and the recently appointed Corporate Plan Advisory Committee to report to me on the future role and functions of Sacon. In other words, the review is to propose to me what business Sacon should be in and what shape Sacon could take in the 1990s leading up to the next century.

The review team will also identify opportunities within Sacon, and between Sacon and other Government departments, to enable a more efficient use of resources. The review should be completed within 12 weeks. In the meantime work will continue on the commercialisation of Sacon. Considerable work has been done during the past 12 months in planning a new accrual accounting process for the department and in proposing the structure of business units which will report their financial performance as profit centres. The intention is to have at least one business unit fully operational by 30 June 1991, with all other business units operating 12 months later.

A customer service training program has been implemented within the department which will be expanded over an 18 month period and aimed to improve the level of customer service throughout all activities of Sacon. All employees will have some exposure to this customer service program. By the end of the financial year June 1993 the objective is to have Sacon operating as a totally business driven department fully competitive, performance measured and concentrating on those areas of activity in which it has a proven effective record. Sacon will, I am confident, be one of a number of agencies returning a financial surplus to Government. In all of the processes that I have outlined it is likely that employee numbers will reduce in Sacon, both in the GME and non-GME Act areas.

The Minister of Labour and Industry, following discussions with the United Trades and Labour Council, recently announced a new three level voluntary separation package for employees in the public sector. These packages cover options of early retirement for employees aged 55 years and over, a voluntary resignation incentive for employees under 55 years and a voluntary preparation package for agencies such as Sacon undergoing major reforms or changes in activities. The emphasis is that these options will be available on a voluntary basis and no employee will be forced to accept any option put to them.

In this context Sacon has been making, and will continue to make, ongoing adjustments to its organisation to improve efficiency. Any major restructuring, however, will not occur until the completion of the Hudson review. The end result will be, I am certain, a leaner more efficient and commercially orientated Sacon. A department operating as a Gov-

ernment trading enterprise offering to its clients a competitive customer-oriented service. In the changes that we have already effected, we are still in front of counterpart public works authorities around Australia and what we are now doing will be another example of South Australian Government management leading the field in this country.

Mr LEWIS: I refer to page 268 of Financial Paper No. 1, on which mention is made of a program of support services for Parliamentarians. At the outset, quite simply, the Opposition believes that it is not appropriate for the Government to continue exercising its executive prerogatives over the way in which Parliament functions or over the way in which members of Parliament can function in the discharge of their duties to their constituents. We do not believe that the Government has a responsibility to us or to our constituents to decide who amongst us gets what, especially where that results in some discrimination between members.

What has been the Minister's specific response to a letter from the member for Walsh, dated 10 August, which the Minister would have received recently? The letter states:

Dear Minister,

As the Budget is almost finalised, I would appreciate your urgent advice as to the provision of certain Caucus resources which were the subject of vigorous discussion between the Premier and myself at the time when I was asked to take on the Whip/Caucus Secretary role. Those resources (which would also need to be provided to the Opposition) have been brought to your attention previously, along with some other matters relating to the Legislative Council Whip, Hon. Carolyn Pickles MLC. They included:

(1) the provision of a relatively sophisticated fax machine in my electorate office which facilitates communication to the Ministry. This has been implemented, but the provision of basic fax machines in the electorate offices of the other Assembly MPs is still being awaited and without those machines in the member's offices, communicating with backbenchers in their electorates is greatly handicapped;

(2) the provision of a fax machine (of slightly more sophisticated design) for the Caucus to share (based in or near the Whip's office), to be used by the Ministry and backbenchers during sittings of the House and by the Caucus secretarial staff both in and out of session;

(3) the provision of one basic fax machine to be shared by the seven ALP members of the Legislative Council so that confidential memos can be provided to the Legislative Council Whip (or ALP secretarial staff) for circulation to Legislative Council members of the Caucus;

(4) continual upgrading of electorate office typewriters to Glass wordprocessors and of Glass wordprocessors to computers;

(5) the provision of one Glass typewriter/wordprocessor and one small photocopier (in or near the Assembly Whip's office) for the shared use of all ALP backbenchers and of the Ministry while the House is in session (ideally, that Glass should be upgraded to a computer in the not-too-distant future);

(6) the provision of at least one Glass wordprocessor and one computer to be shared among the three ALP secretarial staff who serve the seven ALP Legislative Councillors, including the servicing of non-Labor electorates;

(7) the provision of a secretarial assistant to the Caucus on a basis of 20 hrs/week averaged over the year (perhaps 30 hours in sitting weeks, 10-15 in non-sitting weeks) to serve the Caucus secretary, and provide all ALP backbench and Ministerial secretarial requirements when the House is in session;

(8) a review of all stationery, postage, photocopying etc. requirements.

Your urgent response would be appreciated.

Fraternal regards,

The letter is signed by John Trainer, member for Walsh.

The CHAIRMAN: Before the Minister responds, I notice that there may be some confusion. The only officers who can come on to the floor of the Chamber are those who are designated. We have had a few problems in the past. I am sure that it has been done inadvertently and with no malice. I advise officers on either side of the Chamber who are giving advice to the Committee that, if there is any need to relay messages, it should be done through those advisers

sitting with the Minister going to the back of the Chamber. I am sure that what has happened was done with the best of intentions, but let us not disobey the rules.

The Hon. M.K. Mayes: I could embark on a lengthy debate about whether or not Executive Government should have control over the budget, but I am sure the Committee would not want that.

Mr LEWIS: I am talking about the Parliament.

The Hon. M.K. Mayes: I am endeavouring to answer the question. I do not mind going into an ongoing debate if the honourable member wants that.

Mr LEWIS: I did not want you to get one wrong.

The Hon. M.K. Mayes: Well, I will come to the main issue that the honourable member has raised. In his opening comments, the honourable member certainly referred to whether the Government should have control over what member services are provided. The Treasurer has very strong view about that. I will not embark on a debate about that, because I think the Government has to have some control over budgets. However, in regard to the Whip's letter, of which I am fully aware and which I have spent some time consuming and digesting, there will be improved services provided for members. The Government has allocated approximately \$140 000 to electorate offices out of the recurrent budget to supply computers and fax machines. That allocation would mean the completion of the computerisation program of those offices. Therefore, there will be a further 18 electorate offices serviced with computers.

We have now moved to Microbyte machines, which are highly appropriate given that they are South Australian. We have run a few trials and established that it is a very appropriate and efficient machine that will service members very adequately. Fax machines will be provided; they will not be Rolls-Royce machines, but they will be adequate for the use of members with all facilities such as automatic dialling and so on, that will allow members to communicate with their electorates and with the rest of the community. Obviously, the Government has identified that members are entitled at least to keep up with most modern technologies in order to maintain their activities as MPs. They are the things that have been found for members in what is a very tight budgetary situation.

I think that, if one goes into an office anywhere in the city or in the country, one would be very surprised not to find a personal computer of some sort and a fax machine in order to communicate. Quite obviously, as an MP who has a very keen interest in serving my electorate, I believe that nowadays a fax machine is almost essential, if not essential, because the electorate expects such equipment to be there. In fact, I have constituents coming to my office—and I am sure the honourable member has had the same experience—suggesting that rather than my writing to a Minister or to an organisation, I should actually fax them. Those constituents usually come armed with a fax number. We will be endeavouring to provide that equipment to all electorate offices in the next few weeks.

My private secretary has sent out a circular to all members—I am not sure whether or not members have received it as yet—indicating that fax machines will be installed. That is about as far as I can go. I have endeavoured to provide earlier to the Government Whip and the Opposition Whip in the Lower House. They have had a fax machine for some time now in order to communicate with their members. Some members have had their own private machines installed. I have endeavoured to assist where I could with second-hand Glass typewriters and machinery that we can in fact locate within the services and to provide these additional service to members who are finding them-

selves under strain in maintaining services to their electorate.

Mr LEWIS: As a supplementary question, the Minister's comments were general and interesting about what the Minister is doing for members of Parliament, but my explicit question was about his specific response to the Government Whip's letter. So, I guess I will need to ask him if he can say what was the cost of the resources sought by the Government Whip and whether or not he will table any letter in reply that he has made to the Whip, since there were a number of machines specifically sought for explicit purposes by the Government members?

The Hon. M.K. Mayes: I had some general discussions with the Whip in regard to services and the level of equipment that was sought. I did not cost it. On various occasions we discussed with members of Parliament, including Opposition members, what sort of equipment they wanted. There have been ongoing discussions in the corridors of Parliament, as the honourable member knows.

Mr LEWIS: Not with me.

The Hon. M.K. Mayes: People have approached me on numerous occasions. I have had discussions with the Whip and with other members. In response to the Whip's letter, I announced that those offices without computers will be provided with computers, and that fax machines will be introduced. I am not prepared to share any letters between the Whip and me. In response to the Whip, I also advised that some segments of Parliament would be provided with second-hand machinery, where we can find it.

Mr LEWIS: I find it quaint that there was no costing. I accept that the Minister will not give any explicit statement of his reply. However, will he provide to the Committee now or by incorporation into the record details of whether any of those resources which have been requested by the Government Whip in the Assembly have been provided and, if so, which ones and to whom? Are any further resources requested specifically for ALP members to be provided as contained in the letter, that is, fax machines, and so on, in Parliament House?

The Hon. M.K. Mayes: We costed some parts that we thought were realistic, in the broadest possible sense. We looked at the cost of fax machines and computerisation. We also looked at the cost of additional staffing. It was done on a bipartisan basis because the Whip argued clearly that any additional services to one side must be provided to the other. I did this with the fax machines provided to the Whip, prior to this decision about electorate offices: what goes to the Government Whip goes to the Opposition Whip. We have done some costing of individual items. I said in my discussions with the Whip that, in the current economic environment, the range of requests was beyond our capacity and, given that factor, we have done exceptionally well.

Members need a fax machine and a computer. I have something like 900 small businesses in my electorate, including some of the leading computing firms. Prior to my obtaining a computer, when they visited me in my office they could not believe that I could operate as a member of Parliament without a computer. Certain assumptions are made about the quality of a member of Parliament if he or she works without modern technology. I am happy to provide that information, and I will do so on notice.

Mr LEWIS: I know that we have been given fax machines but the quaint thing is that, in keeping with the Minister's statement that business executives find it amazing that we can operate without a fax machine, the Minister has not provided us with any paper for those fax machines and we must procure it from our own resources. That is a bit quaint.

It will not even be available through the House of Assembly stationery supplies. We have to go out and shop for it. I have heard nothing about a possible increase, however minimal in terms of \$100 or so, in the telephone allowance, because country members will have a higher expense in operating their fax machines.

Mr Chairman, I now ask the Minister to oblige us in the same way as you did, Sir, when you were Minister and provide us with a table as was provided to Estimates Committee A a couple of years ago. That table set out the electorate name, the rent paid for the office, the cleaning costs of that office, the electricity allocated for use in that office in dollar terms, the telephone rent and calls allocated, whether or not a personal computer is installed in that office as of today, whether or not a fax machine is installed in that office as of today, the total number of staff in terms of people who work there, including full-time and part-time equivalents, and any temporary staff full-time or part-time equivalents currently operating out of that electorate office, and, explicitly, how many full-time or part-time equivalent employees there are in the electorate offices of Ministers. I think this information was provided last year.

Will the Minister indicate whether there is to be an increase in telephone allocation and whether he intends to provide the same resources on an equal basis to Government members and other members of both Houses of Parliament so that, at last, everyone will be operating on a level playing field? I thank the Minister for his comment that whatever the Government Whip gets, the Opposition Whip gets. Does that refer to the House of Assembly or to both Houses? I invite the Minister to indicate whether he will provide that information.

The Hon. M.K. Mayes: I find the member's comments interesting, in that a Party which advocates lower taxes wishes to burden the taxpayer further with the cost of additional resources.

The Hon. JENNIFER CASHMORE: We are talking about efficiency?

The Hon. M.K. Mayes: Efficiency is a matter for the honourable member to resolve.

Mr LEWIS interjecting:

The Hon. M.K. Mayes: I deliberately do not interrupt other people when they are speaking and I would appreciate the same courtesy. It is interesting that a Party which advocates lower taxes should suggest that a further burden be placed on the community by extending the telephone account and the cost of running electorate offices. We have stretched the budget as far as we can in terms of the facilities that have been provided, certainly for this year. There will be no increase in telephone allowances in order to cater for this. Members can make adjustments to their budget. Most members are within budget and country members will probably find that the fax machine creates additional efficiencies which will save them money in some areas, which they can devote to the cost of the fax machine, if they need to increase the allocation from their own electorate allowance. The answer is 'No'. I am happy to take on notice the other questions about the allocation of facilities to electorate offices.

Mr LEWIS: Government MPs are able to draw on the considerable computer and communications facilities of ministerial offices to help them to undertake their work. We cannot do that. Although there is no doubt that members require additional services properly to undertake their duties, the Opposition has not yet been advised of the provision of resources to the extent that has been indicated by the Whip's letter.

We know that any allocation of resources will have to take into account the tight budgetary situation that the Government has said we are in, but it should be fair. That is the reason for my inquiry. Will the Minister give the Committee an assurance that the Government will be absolutely fair in the way in which resources are allocated? It has not been fair in the past. More staff have been allocated in Government members' offices over and above their regular one electorate assistant, and there has been a disproportionate allocation of resources to the Government of the kind that I referred to when I started asking this question.

Members of the Legislative Council have missed out very badly. Those people still represent South Australians in this place. I accept what the Minister said about the necessity for the Government to be careful in its allocation of resources, but I have noticed in the past that, unless the Opposition has at least meagre resources at its disposal, it cannot examine what the Government is doing and show up areas in which the Government is using resources which it has not otherwise made known to the public. Without the parliamentary process, no Government can be seen to be acting honestly. I ask the Minister for an assurance that any allocation of resources in this tight budgetary situation will be absolutely fair across the board.

The Hon. M.K. Mayes: I will not bridle at that comment; I shall be factual in my response. Obviously, the additional resources are being allocated because we are now servicing every electorate and the Opposition now has more electorates than it had before. It will be more than fair for the Opposition because it will be getting more than it had last year when the decision on computerisation was made. It is quite clear that it will be dealt with in a fair way.

The Hon. JENNIFER CASHMORE: We represent more people.

The Hon. M.K. Mayes: Not in my electorate, you don't.

The CHAIRMAN: I ask honourable members and the Minister not to engage in asides.

The Hon. M.K. Mayes: The other aspect relates to fax machines. They are going into all electorate offices. There is no question of any Party or any individual not being provided with additional fax machines. I can assure the honourable member that the circular will clearly state that all MPs will be provided with fax machines. It will be a fair application.

Mr ATKINSON: I refer to page 282 of the Program Estimates relating to the provision of office accommodation and property services. The City of Adelaide now has vast tracts of unused office space. The Lord Mayor, Mr Condous, advocates a moratorium on constructing new office buildings. How much unused space is there in Government offices? How does Sacon's performance compare with the private sector in that respect?

The Hon. M.K. Mayes: I thank the honourable member for his question as it relates to a significant achievement on the part of the Government. The vacancy factor in Government-owned and leased office accommodation in total area is 1.68 compared with the private sector equivalent of 9.18 per cent for vacant accommodation as at January 1990. That is a good indication of the office accommodation division's management of our commercial property and certainly augurs well for the overall management of the Government's asset.

In terms of savings, the operating surplus of the division was \$1.9 million for the 1989-90 financial year, and in addition it made \$1.386 million profit on the sale of the Liverpool buildings, returning a total of \$3.02 million to the Treasury. The division has made additional savings to the Government of approximately \$10 million through bet-

ter planning and superior negotiations and the maximisation of opportunities. There have been some recent examples of that.

Mr ATKINSON: The current building industry downturn has resulted in insolvencies. Have any of them affected Government projects? Is the Government doing anything to help the industry to adjust to insolvencies?

The Hon. M.K. Mayes: That is a contemporary and contentious issue. A number of industry organisations are concerned about the direction that industry is taking. We as a Government are concerned because, on average each year, the Government as one organisation probably spends more on capital works than any other organisation in the community. The capital works budget for this year is about \$180 million. That is a fairly significant contribution to the State economy and it has a direct connection with what is happening in our building industry.

We have been affected—there is no question about it—by a number of good builders who have diversified into other activities such as commercial property management. That is the general theme that I have picked up. That diversification has caused them to stretch their cash capacity and their capacity to manage their affairs. Five contractors who have been engaged in Sacon projects have either gone into liquidation or are under receiver management at the moment. They are Arthur Lloyd Pty Ltd, Kirkwood Pty Ltd, Consulere Pty Ltd, Airco and Atco Industries. They have caused us considerable distress and have obviously caused many of the people who have worked for them and subcontractors and builders considerable distress as well.

We must address insolvency and the impact upon the industry. We must also address some of the after-shock effects that occur in the industry. A matter of concern to me is that, after going into liquidation, after only a few weeks some builders reappear under another company name seeking to re-establish themselves as builders. That matter concerns the Government. We must address it seriously. It can affect confidence in the industry. People have been burnt rather badly by some of these companies collapsing.

We have had to pick up the management of the projects which these companies have had, in a variety of ways. In respect of Arthur Lloyd and Kirkwood we have had to pick up a couple of significant projects and are now running them as project managers. I have had ongoing discussions with the industry. The select committee looked at the repeal of the Workers Liens Act. That is being considered by the Parliament, so I shall make no further comment on it. We have looked at the problem from the point of view of what solution industry can find to avoid the small contractor or the small subcontractor in particular being badly financially affected by a collapse.

Some of my personal friends have been badly affected by two of those companies. One is a plumber who has about \$60 000-worth of material in a project. He now has no access to that material because it is under receiver control and preferred creditors will get first bite of the cherry. That means that he will probably miss out on his \$60 000, which represents about six months of his work.

He has wages to pay to his employees, so he is suffering considerable financial loss as a consequence. As a Government we have a responsibility to look at what we can do to help in that situation. It must be an industry solution rather than something that is imposed from above. We are working with industry at the moment. A working party and a subcommittee are looking at the options such as voluntary trusteeships, voluntary insurance, compulsory insurance and trustee arrangements. We hope in the end to see recommendations from the industry involving perhaps a package

addressing the overall issue of bankruptcy and insolvency within the building industry.

It may be argued that 1982-83 should have seen a resolution to the problem, and it could well be argued very credibly that there should have been some industry solution to this problem. That was not to be the case. I do not believe the arguments that are being advanced that a trust should be established. I think we would need a department about the size of Sacon to administer it. We would have to have a trust on every builder and every building site. We would have to have trustees managing it and managing payment. One can imagine the plethora of administration and responsibility that would emanate from such an organisation. It is an industry-based solution, and we are trying to work with industry to try to convene a solution to prevent people being hurt. Many of these people have been genuine and decent builders or subcontractors who have worked by the skill of their hands or brain but have suffered as a result of circumstances or decisions taken by another company or person impacting upon them.

Mr ATKINSON: The Auditor-General referred to an increase in fraud on pages 8 and 9 of his report and calls for more internal audit and audit committees. How does Sacon try to prevent fraud? Were any cases of fraud detected in Sacon over the past financial year, and has Sacon any initiatives to prevent fraud in 1990-91?

The Hon. M.K. Mayes: Obviously all members would be concerned about any areas of fraud within Government, industry or the community as a whole. With regard to audit control, the department runs an internal audit unit, which has been restructured. That happened in October 1989 with a senior internal auditor reporting directly to the CEO. The CEO and internal auditor meet each month with the Director of the division to report on audit reviews that are being conducted. Sacon's internal audit processes have been demonstrated, and we have detected two cases of fraud, one involving the letting of minor works contracts. The officers under investigation have resigned their position in the department, and the matter is with the police, as it should be. As a result of those cases, the CEO will be addressing all employees responsible for the letting of contracts to remind them of their obligations and probity in this publicly accountable task. Each employee will be reissued with appropriate Treasury and Supply Board instructions and advised that a breach of those instructions will result in severe disciplinary action.

The Hon. JENNIFER CASHMORE: In reply to an earlier question the Minister assured the Committee that the principles of justice and equity would be observed by the Government in allocations to electorate offices. Will the Minister advise the Committee why the two Australian Democrats in the Legislative Council have the benefit of three full-time staff and superior equipment compared with the 10 Liberal Party members who have three staff and inferior equipment? When will this intolerable situation be rectified?

The Hon. M.K. Mayes: The Democrats as a Party are entitled to facilities and have, on an ongoing basis, made submissions to numerous Ministers responsible on the basis of the need to service their demands. They believe that they have a responsibility to service the broader community. They argue that they do not have the resources that other Parties have. It is really a subjective decision as to whether or not they have better resources than do other members of Parliament.

Collectively, the Democrats argue that they do not, and they constantly argue their case both publicly and with individual members and Ministers. Certainly their most

persuasive argument at the moment is their current accommodation space within Parliament House. I will not argue the case for the Democrats: they are quite capable of doing that. They have made numerous submissions and are very anxious to see their facilities improved. We endeavour to be fair and reasonable in providing them with facilities that give them adequate service for their function within the Parliament. I have little more to add to that.

The Hon. JENNIFER CASHMORE: Will the Minister provide, on notice, details and financial costs of any upgrading, refurbishment, additional office equipment or furniture for each Minister in the Cabinet for the 1989-90 and 1990-91 financial years?

The Hon. M.K. Mayes: I will certainly provide that information on notice, as I imagine it will be quite a detailed document.

The Hon. JENNIFER CASHMORE: I refer to page 103 of the Estimates of Payments, program 6, and note that \$2.78 million was spent on the ASER Building Regulations Advisory Committee. I assume that this is on the implementation of the recommendations of the committee. Will the Minister explain this amount and advise why there was no budgeted provision for it, and whether there is likely to be any expenditure on or by that committee this financial year?

The Hon. M.K. Mayes: In 1989-90 there certainly was expenditure. The office was dealing with intentions being directed to reveal outstanding items on the Hyatt Regency Hotel. We can say that it involved a winding up of outstanding matters, and certainly in 1990-91 there will be a winding down of the committee and its activities.

The Hon. JENNIFER CASHMORE: 'Outstanding matters on the Hyatt Hotel' is a pretty broad cover-all. Will the Minister provide details of what matters were outstanding, the cost of each and the agreements under which those sums were provided?

The Hon. M.K. Mayes: I appreciate the honourable member's comment that it is a broad statement about outstanding matters. I will take the question on notice.

The CHAIRMAN: Order! I do not think the member for Coles needs the member for Murray-Mallee to be her cheerleader.

The Hon. JENNIFER CASHMORE: I refer to program 9 in the Estimates of Payments, which shows an 18.1 per cent increase in lease payments and a 33.7 per cent jump in services costs. Will the Minister explain the components of these items and the reasons for the increase in each of them?

The Hon. M.K. Mayes: The increase in the 1989-90 figure was due to award restructuring and transfer of 15 security staff from the Department of Marine and Harbors, and in 1990-91 provision is made for funding at the same level as for 1989-90.

The Hon. JENNIFER CASHMORE: Supplementary to that, because that answer does not really clarify the issue for me: is it that the security staff who were formerly employed by the Department of Marine and Harbors have simply been transferred to the same job under a new boss? Is that the explanation?

The Hon. M.K. Mayes: The honourable member is partly correct. I am informed that there is an additional efficiency in that exercise. Not only are they now working for a new boss, but also they are doing additional work; I will get that information for the honourable member. They are working in the education area and on North Terrace. They have additional responsibilities, so there is also an efficiency factor in that transfer.

Mr QUIRKE: I thank the Minister for the fax machine and I make an inquiry relating to the cost involved. As the Minister indicated in one of his previous answers to a question regarding the running of that machine, it will be run off normal office telephone budgets. I imagine that the installation of the machine will cost about \$150 or more; I cannot remember exactly what a telephone connection costs. Will that be met by the department or is that expected to come out of the budget?

The Hon. M.K. Mayes: I am fairly mean, but not as mean as that. The cost of installation, and so on, for those machines will be met by the department. I have a series of figures running through my mind, which I cannot pin down, but off the top of my head, I think installation is about \$250 for the machine we are talking about. I will check that and put on record any alterations. It is proposed that part of that costing will meet the installation costs and setting up.

Mr QUIRKE: As a supplementary question, at which stage during the financial year does the Minister anticipate that these machines will be connected in offices that do not already have fax machines?

The Hon. M.K. Mayes: I know that some members who possess their own fax machines have borne the expenditure themselves, and that that will create some difficulty for them, because some lease them and others have purchased them. I proposed in the circular sent out to all members this week or last week that fax machines will be provided. Our program is to get them in as soon as possible. I think we could probably do it within the next month, so most members will have their fax machines by then. It is not a terribly complex process, other than the telephone link—the line—and the establishment. I think that, given arrangements with Telecom, we can probably manage it within the next month.

Mr QUIRKE: In relation to the computer equipment that is being procured by the department for those members who do not already have such facilities, the Minister mentioned that a South Australian company had been successful in the tender for the other 18 sets of equipment that the Minister mentioned previously. I would understand, therefore, that this apparatus is transferable to existing equipment: in other words, so that it is possible that work done on existing equipment that has been supplied to other members of Parliament and information that may be useful to members who will now get the South Australian equipment may now be accessible on compatible equipment. In layman's terms, the machines can talk to each other. Is that correct?

The Hon. M.K. Mayes: Let me go back to the beginning of the question and answer the first part. Clearly, I made a conscious decision to purchase the Microbyte machine, mainly because of my experience with the other machine, which was Taiwanese. I think the member for Coles had the same trouble as I had. When my office was broken into twice, it was not taken; I had a sign saying 'Please take this' but it was not taken.

Members may wish to explore with me the issue of security of their electorate offices, which concerns me at the moment. There may not be much of value in those offices, apart from our computers and personal equipment, but some things are confidential. We must make some decisions in the next month or so regarding what we will do about that. I have that on the agenda, and I can assure the member for Murray-Mallee that I will be dealing with that fairly and equitably.

With regard to the basis of selection of the Microbyte machine, the company was originally located in my elec-

torate, but that has little to do with it. It is a South Australian company; it has a good reputation; and its machine is very good. I felt that we ought to move across to it. We operate from a supply list that is provided, and I felt that we ought to consider using those machines.

My machine just would not work and, when the new electoral roll was installed, just three weeks before the State election, the machine just did not function and we lost control of Wordperfect and everything else. I know that the member for Coles had similar problems. We looked at what we should do in terms of continuing the purchase because members were anxious to have (and it is only fair that all members should have) a computing capacity. So, we looked at Microbyte, and I decided that we should continue the program with Microbyte machines. As machines wear out or do not function, we will replace them, and it is my intention to replace them with Microbyte.

Where they are compatible there are devices that can provide an interface between machines. Some are compatible; it is possible to buy hardware and software that link the two machines together—that is a common piece of technology now. If the member wants my advice on that, I would be very cautious about it, because we experienced some horrendous problems with the use of our machine going into another printer. So, the member should be aware of that.

The other thing that I can offer is the Sacon expertise to assist the member with that matter, so that he does not embark on an issue that, while it may not lose files, may lose the capacity of the machine to work efficiently.

So it is up to the individual member. That is the foundation of coming to Microbyte. We will be purchasing 18 Microbyte 230SX computers, 18 Cannon bubble jet printers and 18 ergonomic work stations. There will be training sessions for the personal assistants involved. A total of 18 Wordperfect software packages and 18 electoral roll software packages will be provided. That is the profile for completing the computerisation of electorate offices.

My office has been broken into on two occasions in the past month and other members have encountered a number of break-ins also. We will have to look at some sort of security system to at least alert the police to any sort of violation of electorate offices because they house very sensitive documents. I am not referring to political documents but to personal files, the information in which belongs to constituents. It could be quite embarrassing and damaging to them if it was left in any way for other members of the public to consume or if it, say, dropped off the back of a truck.

The Hon. J.P. TRAINER: Would that be an extension of the duress alarm?

The Hon. M.K. Mayes: Yes. The duress alarm is for our electorate secretary's security, it is not for—

The Hon. J.P. TRAINER: But the same equipment.

The CHAIRMAN: Order! With all due respect to the Minister and the member for Walsh, and considering the fact it is our last day and we are all getting a little glazed around the eyes, I request that the member for Walsh, if he wishes to participate in this examination, go through the normal procedures, of which he is well aware.

Mr QUIRKE: As a further supplementary question in relation to the computer, what is the Minister's estimated timetable for the dispersment of this equipment to offices which currently do not have it, and what is the availability of training sessions for personnel assistants to use this equipment?

The Hon. M.K. Mayes: I will take that question on notice and provide the honourable member with a reply.

Mr QUIRKE: In terms of office equipment and the various things Sacon is responsible for supplying to members, I understand that 36 000 sheets of paper are currently forwarded to all members' offices. Is there an expectation that that amount will increase in this financial year, given the reality that members now use this modern equipment and that there is a fairly strong expectation in all electorates that members need to be kept informed?

Further, when a boundary redistribution takes place, either before or after the next election, obviously the electorate profile which the Minister has agreed to place in each electorate office will be different. Will a new electorate profile be supplied to all members after the redistribution?

The Hon. M.K. Mayes: The honourable member might regard this as an unrealistic answer, but there has been no contemplation within the existing budget for additional funding in terms of the supply of this equipment. I think I have done exceptionally well, given the budget, to provide an additional allocation of \$140 000. I will take that question on notice and, when the boundaries are changed, I will contact all members, because they would all be interested in this matter.

I am realistic about the demands placed on members of Parliament, and I accept that we have often worked in an environment which would not be accepted in private industry. Also, our staff are expected to work in that same environment. Because the Estimates Committee is not yet finished, I expect questions about Parliament House. The Government is conscious of this matter. This Government has probably endeavoured to do as much as any Government has done to address this problem. We have not really addressed the needs of members or staff over the past 50 years or so, and the membership and staff numbers have grown, placing a greater demand on the facilities, yet the physical size of the building has remained the same since 1938, so I am endeavouring to address that issue.

I am conscious of the concerns of members, and I have had an expert committee looking at our facilities. I believe I am dealing with that matter responsibly. I hope this matter will be placed before members individually in the not too distant future. I know that my predecessor said that when dealing with this issue, but it is not the most popular of causes out in the community. Most constituents regard us as not warranting this sort of facility. However, when members bring constituents in and show them our working conditions, they cannot believe it. Although some members may think I am not sensitive to their needs, I am doing my best. It may be criticised as not being good enough, but it is a very difficult issue to resolve and I am fairly pleased that I have had the opportunity to finish the computerisation and arrange for the fax machines.

Mr MATTHEW: With reference to page 39 of the Estimates of Receipts, I note that the rental from Ayers House will be \$114 000 compared with a budgeted \$123 000 in 1989-90. I also refer to page 24, because that amount was previously shown under the Department of Premier and Cabinet. I also note that only \$66 500 was paid as rental for Ayers House in 1989-90. Why was the payment a little more than half the amount budgeted for, and why has there been a reduction in the rental budgeted for this year?

The Hon. M.K. Mayes: The Valuer-General sets the rent for Ayers House. I am informed that Ayers House has always had difficulty meeting that valuation. It has always been on the basis of negotiation in order to arrive at the actual amount. I will further pursue that matter for the honourable member and, if he wants more detail, I will provide that information.

Mr MATTHEW: I refer to page 103 of the Estimates of Payments. Under program 8, \$73 895 was expended for policy advice to the Minister. Will he provide details as to how those moneys were expended and who were the recipients of it?

The Hon. M.K. Mayes: The service provided has been in the form of a research officer provided to me but really to the building construction industry as policy support personnel in terms of the issues that are confronting the construction industry. The officer employed was Mr Peter Dewhurst.

Mr MATTHEW: At the last line of page 278 of the Program Estimates reference is made to the purchase of the Crown and Sceptre Hotel in 1989-90 for \$4.4 million. What is the current position with respect to that building?

The Hon. M.K. Mayes: That purchase is part of our development of the police headquarters area. It was acquired so that the proposed new police headquarters building would have a King William Street frontage (and I invite the honourable member to look at the proposal for the building in terms of the access required) of about 15 metres by demolishing the shops adjacent to the hotel. As the honourable member is probably aware the Crown and Sceptre Hotel is on the heritage list. We acquired the building at the price of \$4.4 million because we wanted additional land at the rear of the hotel for the police headquarters development.

We are taking the rear portion of that land and a corridor down the side of the Crown and Sceptre to provide access from King William Street. It is not proposed to demolish or alter the hotel in any way. There is much anxiety about that facility by the Police Department, which is anxious to move into accommodation appropriate to the work being undertaken. Police headquarters will have a total floor area of about 24 000 square metres, with construction scheduled to commence in late 1992, with completion in late 1994, again subject to the availability of funds. In 1990 dollars the cost is about \$50 million.

We are not intending to stay in the hotel business, although I have always wanted to be a publican and, in a real sense, I suppose that I am now a publican, but I will not be a publican for long. We will sell the building, but it has been acquired so that we can obtain access to land for the police building development and for the necessary corridor. The frontage of the police building will be on King William Street. We are turning the profile of the building to the west rather than the existing north, which fits in with the new watchhouse proposal and the general security upgrade of the area.

Mr MATTHEW: As a supplementary question, what rental moneys are now being received for the hotel, if any, and when are you looking at disposing of that part of the property that is not required?

The Hon. M.K. Mayes: After construction is completed and the development program is finalised we will be putting it on the market. I will have to take the question on notice as I have only rough figures available and I would prefer to have them checked so that I can give the honourable member an accurate answer.

The Hon. J.P. TRAINER: I refer to program 7, property maintenance services. My first question relates to the carpet in the Legislative Council and House of Assembly Chambers. This Legislative Council Chamber has the floor covered by red carpet with a fleur-de-lis pattern which, as far as I can work out, has no constitutional parliamentary basis whatsoever in the Westminster tradition. In fact, it is a symbol of the French monarchy that might best be located in the Parliament of Quebec. My understanding of its being here is that, when we had a Royal visit during the 1950s,

it was decided that we should follow the colour scheme that is used by Parliaments through most of the British Commonwealth of red for the Upper House and green for the Lower House in place of the motley brown patterns that were in here before then.

The only red carpet available in Adelaide at that time in a wide enough loom had the fleur-de-lis pattern, which was fashionable in the 1950s and 1960s and some of us who are my age might remember that many picture theatres incorporated that in their design because it was so fashionable. When the carpet wore out in the early 1970s, for reasons which are not clear and which I cannot find documented anywhere, someone assumed that the fleur-de-lis pattern was such an important part of our tradition that it should be repeated.

A previous Presiding Officer of the Legislative Council indicated to me last year that the spare carpet on hand to replace those sections which became threadbare from time to time had all gone. Can the Minister give an assurance that the historical accident involving the fleur-de-lis pattern will not be repeated and that a plain red carpet will eventually grace the Legislative Council, if it is with the concurrence of members of this Chamber?

Secondly, the green carpet in the House of Assembly is also beginning to become threadbare. A former Presiding Officer of the House of Assembly, whom modesty restricts me from naming, wrote to a former Minister, whom tact inhibits me from naming, suggesting that some additional carpet for the purpose of repairing those worn sections of the House of Assembly Chamber could be obtained from the carpet running in a north-south direction in the western House of Assembly corridor. That carpet should never have been laid down in the first place. Beneath it are magnificent black and white tiles that were covered over in 1973, tiles of black slate and white marble. That Presiding Officer suggested to the Minister that, if the carpet were taken up and stored in the basement, there would be no necessity to have a special loom order placed for carpet to match the House of Assembly carpet for repair purposes. Further, the black and white tiles could be restored to their former glory with, to reduce noise, a plain green runner laid down along the centre of the corridor.

At the same time successful arrangements were made for the horrible ochre carpet in Centre Hall to be lifted and removed, and the floor of that hall was restored to its former glory. That was a simpler process, because the nails that held it down only went through material called ruboleum, and they were more or less self-sealing holes once the 'smoothedge' strip was taken up. However, the 'smoothedge' strips where the carpet adjoins the wall of the House of Assembly corridor were hammered into the slate and marble with concrete nails.

To further aggravate that particular vandalism, the strip was also attached with epoxy resin. A small area that has been looked at suggests that it may nevertheless be possible to remedy that damage. However, time is running out because the carpet in the corridor is itself now getting so threadbare that if it stays there for much longer it may not be possible for it to be used to repair the threadbare sections in the House of Assembly Chamber. What would appear to have been a cost effective option may no longer be available. Is the Minister giving this proposal any further consideration?

The Hon. M.K. Mayes: I thank the member for Walsh for his question. I must say I expected one. When I saw him come into the Chamber, I realised that the question of Parliament was on the agenda again. Certainly, in terms of the overall issue of Parliament House this is perhaps an

opportunity for me to convey to members what has been happening; and plenty has been happening, although very few members will believe me when I say that. I have had a specialist group looking at the particular issue of Parliament House. In answer to the member's question, certainly, the carpet in the corridor outside the Speaker's office and the Clerk's office does cover black and white marble. I agree with the member that we should address that and restore Parliament House to its original splendour.

I think that there are a number of things that we must do to address the quality of the working environment for members of Parliament and parliamentary staff. I hope that in due course we can do that to provide an appropriate environment for people to work in, bearing in mind that we are here for roughly six months a year and the fact that we spend many hours in this place during that time. I have now received a report from Mr Schilling, Mr Blanks from Woodhead and Mr Dennis Harrison from Sacon. It is a very comprehensive report and it is one that I believe addresses the issue of accommodation in the most economic and efficient way. However, it requires considerable funds for a unique upgrade of parliamentary facilities and for improving the facilities for all members and staff. I propose to take that report to Cabinet for its consideration, and I will do that very shortly. I am looking at further timetables in terms of what Cabinet would like to consider. However, my proposal also would be for members to have this document for their consideration.

As to what happens in relation to the carpet and upgrading, members will appreciate that that is a matter for the Presiding Officers, as they are the officers who have charge of the Parliament and, of course, it is a matter for both Houses to consider as well. So, hopefully, I will provide a framework around which we can reach a satisfactory solution for the facilities and upgrading and for what the member for Walsh refers to as the appropriate renovation of this magnificent building, so that, standing on this cultural avenue, it will engender appropriate respect within the community. I think that we have seen some unfortunate architectural changes to this building that have detracted from the quality of the working environment. In general, the whole thing falls within what we are considering in relation to upgrading facilities. I am sure that during that process honourable members will have an opportunity to address the points that the member for Walsh has raised. Each of us will have an opportunity to have a say about what should happen here.

The CHAIRMAN: Before the member for Walsh asks his second question, I must impress upon him that brevity is the name of the game. It is the first time during the Estimates Committees this year that a question has taken longer than the answer.

The Hon. J.P. TRAINER: My second question relates to a smaller minor works proposal. Many tourists who pass by this building are completely unaware of its significance, as indeed are many South Australians who pass by every day, being unaware that it is the South Australian Parliament because there is no visible indicator on the outside. Would it be possible, as was proposed to an earlier Minister, to perhaps have a brass plate in one of the spaces obviously left for such an addition on the ballustrade of the front steps to indicate that it is the South Australian Parliament?

The Hon. M.K. Mayes: I will investigate it. I think the honourable member is quite right in saying that many people do not realise that this is Parliament House and nor do they realise the value of the building. I am sure that all of us over the years have endeavoured to bring schoolchildren into this building and to impress upon them the importance

of democracy. I will certainly investigate the honourable member's suggestion and take it up with the Presiding Officers to get their agreement with regard to placing a plaque on the entrance to Parliament House.

The Hon. J.P. TRAINER: My third question relates to the very large brass plate to the left-hand side of the House of Assembly doors, a plaque which was erected in about 1970, listing the Premiers of the State since 1856. That plaque appears to contain an as yet uncorrected historical error, where the Hon. Sir Arthur Blyth, KCMG, CB, MP, is listed as having been Premier from 1864 to 1865 and from 1871 to 1872. Somehow, in the course of either the supplying of the list to the subcontractor (or whoever made the plate), or through an error on the part of the subcontractor, the period 1873 to 1875 when he was also Premier has been omitted. Can the Minister confirm that it is almost impossible to rectify that error, because although a close examination shows that all entries since 1970 are on brass strips that are made up with the appropriate lettering and numbers and then screwed to the base plate, all those prior to 1970 were moulded as part of the complete plate? I suspect that it would be almost impossible to remedy that except by totally gouging the erroneous section and somehow placing a new small plate on top of it.

The Hon. M.K. Mayes: The honourable member has probably answered his own question accurately; that is, there is probably little that we can do. The CEO says that it is surely not beyond the wit of man to make some alteration—and we might hold him to that. We will see what we can do. My preliminary advice is that it cannot be altered. I thank the honourable member for drawing that to my attention. I am sure that we will all use that piece of information in our tours through Parliament House. We will endeavour to see what we can do about it.

Mr LEWIS: I note on page 270 under the line 'Provision of Office Accommodation and Property Services—Provision of Leased Accommodation' a 7 per cent blow-out in proposed and actual costs of accommodation on that line last year. This year we see a whopping increase of almost \$5 million on the \$29.5 million actual of last year and we might confidently expect it to be in excess of that. We in the Opposition are curious as to what is going on there. Parliamentary Counsel moved to Riverside Building only last year. What was the cost of that move? Why was there a \$400 000 blow-out in payments under the guarantee for Riverside Building in 1989-90?

The Hon. M.K. Mayes: We brought the lease payments forward a year to achieve a saving. It is an accounting practice which we have initiated.

Mr LEWIS: What percentage?

The Hon. M.K. Mayes: We think it was a 6 per cent fee instead of an 8 per cent fee, but I will check that and take it on notice.

Mr LEWIS: What will be the cost of moving Parliamentary Counsel from Riverside Building to Central Plaza? That section was only located there last year, yet it is to be shifted. I can verify that by referring to an answer given to the member for Bragg by Mr Kelly from the Attorney-General's Department, as follows:

The department is reviewing its accommodation capacity for Parliamentary Counsel within the Riverside offices, which are just adjacent to Parliament House. Those officers moved there in the course of the past financial year. The bulk of the department is housed within SGIC at present. The Equal Opportunity Commission, Ombudsman and other subagencies are housed separately from SGIC. At present there is a review of the department's requirements in terms of SGIC. Potential accommodation has been identified for the department in Central Plaza, which is a building in Pirie Street, and there are plans for a possible relocation of the department to that area.

That includes Parliamentary Counsel. What will that relocation cost? What will be the total cost of relocating the Attorney-General's Department within Central Plaza?

The Hon. M.K. Mayes: Parliamentary Counsel will not be moved from Riverside. The SGIC has expressed the desire to consolidate its operations in the SGIC building. This matter was raised by the Leader, and we had a public debate via the media. The SGIC offered the Government \$750 000 for the fit out and the remainder of the lease obligations in the SGIC building. Negotiations are taking place with SASFIT to relocate the two departments and their Ministers and we expect the details with regard to floor space, etc., to be finalised within a week. The payment of \$750 000 was made by SGIC to vacate the space occupied by the Department of Labour and the Attorney-General's Department and incentives of \$3 million were negotiated to relocate the departments in Central Plaza. My advice is that we will come out slightly in front on the move because of SGIC's desire for consolidation, which will bring about economies for SGIC.

Mr LEWIS: There is also the matter of moving the Department of Labour to Central Plaza, and the recent revelations of waste that this is causing. Can the Minister give any information about that move and its cost? Does that in some way explain the blow-out to which I drew attention at the outset on this line of questioning?

The Hon. M.K. Mayes: There is no blow-out. It is part of the whole move. The Department of Labour and the Attorney-General's Department will take up six floors in Central Plaza. I am assured by the officer concerned—he has a very good track record in this area—that we will probably come out slightly in front, bearing in mind that the program completion cost will be about \$3.9 million. The proposed expenditure in 1990-91 is \$3.8 million. As I mentioned, with the negotiations, there are incentives of \$3 million plus the \$750 000, so we are about lineball. The guess is that we will come out a smidgin in front.

Mr LEWIS: I take it that was the cost of moving the Department of Labour from the SGIC building to Central Plaza?

The Hon. M.K. Mayes: Yes, with the Attorney-General's Department.

Mr LEWIS: When was it decided that the Department of Labour should move to Central Plaza? How much space does SASFIT have in Central Plaza for Government departments, and how much of it has been taken up so far? Will other Government departments take space in that building?

The Hon. M.K. Mayes: My advice is that SGIC initiated the discussions in June. At this point, only the Department of Labour and the Attorney-General's Department will be located in Central Plaza. Negotiations are continuing between officers of my department and officers of the Department of Labour and the Attorney-General's Department about the allocation of space.

Mr LEWIS: Are there any plans to locate other departments there?

The Hon. M.K. Mayes: No.

Mr LEWIS: I refer to office accommodation (page 270). It was noted under the Health Commission lines that relocation costs were uncovered. The Committee was told that notwithstanding that relocation other Government agencies requiring accommodation would take up the vacant space.

As public statements by the current owner indicate, that has not happened. We are seeking reasons for it not happening. How much vacant space does the Government Accommodation Office have on its books at present? We have all that stuff lying around the place; people have been given promises that their accommodation will be required

and used by the Government, there has been an enormous increase in the amount of money being spent, but no clearly defined answers are being provided.

The Hon. M.K. Mayes: In terms of the overall Government situation, I take it that the honourable member is suggesting—

Mr LEWIS: How much vacant space is lying around on the books that has not been taken up?

The Hon. M.K. Mayes: It is 1.68 per cent of our overall accommodation at this time.

Mr LEWIS: That includes the building that we are vacating by the removal of the Health Commission from those premises in which they were formerly situated, namely, the State Bank building?

The Hon. M.K. Mayes: Yes; 1.68 per cent.

Mr LEWIS: May I ask a final question on accommodation and then leave it?

The CHAIRMAN: Is it supplementary to that last question?

Mr LEWIS: It is under that umbrella which the Minister addressed, namely, the 1.68 per cent of space.

The Hon. M.K. Mayes: I can give the area space. It is 5 117 square metres currently vacant.

Mr LEWIS: My final inquiry about that aspect relates to another Government department but the same general problem. Is the Employment and Training Division of the Department of Technical and Further Education, which is currently located in the Plaza Building in Pirie Street, to be relocated to the Education Department building in Flinders Street? If so, when will the move take place and what is the budgeted cost of that move? We understand that, to facilitate that move, the Correspondence School, which currently occupies that space in the education building, must be relocated to Marden High School. Is that so?

To conclude the musical chairs saga, what is the rationale for the moves? It has been put to the Opposition by a staff member of the Department of TAFE that it is a political one—we have an anonymous letter—to bring the division into line with the conservative and mainstream departmental policy of having it located under one roof. I do not wish to take the time of the Committee by reading that letter, but I am prepared to give the Minister a copy.

The Hon. M.K. Mayes: I will endeavour to answer the series of questions. I am sure that the honourable member will remind me, if my memory fails me, to answer—

The CHAIRMAN: I hope that he does not, Minister.

The Hon. M.K. Mayes: I am sure that he will, Mr Chairman. The TAFE facility is located in the Pirie Plaza, not in the Central Plaza. The intention at this time is that, with the move of the Correspondence School from the education building to Marden High School—my colleague the Minister for Further Education is anxious to do that, and I was anxious to do it when I had that portfolio—we would be able to consolidate the TAFE facilities in the education building. The Correspondence School will move to Marden, and TAFE will move to the Education Building where the current head office of TAFE is. The floor space that will be left in Pirie Plaza will be used, and we have other options now for use by other Government departments. I hope that I have clarified the jigsaw in regard to those facilities.

The Hon. JENNIFER CASHMORE: I refer the Minister to page 104 of the Estimates of Payments, program 10. Why has there been a 14 per cent increase in salaries and wages for people engaged in the Government Employee Housing Program?

The Hon. M.K. Mayes: I assume that the honourable member is referring to the budgeted 1990-91 figure based on actual expenditure, given that budgeted for last year was

\$818 000. The best way to deal with this matter is to explain why actual is below what the budget was for 1989-90. Partly, there was a delay in appointing six staff recommended by the Government Management Board. With those positions and with additional costs associated with wage increases, that would then account for our budget of \$885 000, which is what the honourable member is referring to. So, there was a delay in appointing six people. Therefore, we did not meet the budget expenditure with actual, but we will now, with their appointment. Also, the growth in anticipated wages for this coming year contributed to that \$885 000.

The Hon. JENNIFER CASHMORE: The Minister may want to take my next question on notice. What was the number and cost of workers compensation claims by the employees of Sacon in 1988-89 and 1989-90?

The Hon. M.K. Mayes: The total number of injuries for 1989-90 was 395. The total number of workers compensation claims was down on the previous year. I will give average figures for the Committee because it is important to get a clear picture of what is happening. The average number of employees in 1988-89 was 1 830 and for 1989-90 it was 1 789. Estimated hours worked for 1988-89 were 3 294 000 and for 1989-90, 3 220 000. The total number of injuries (that is, injuries that incurred a cost but not time lost) for 1988-89 was 407. The number of injuries for 1989-90 was 395.

The total number of workers compensation claims—one day or more away from work—for 1988-89 was 247, and for 1989-90, 190. Associated costs such as medical costs were \$527 000 in 1988-89 and \$538 000 in 1989-90. Compensation amounted to \$598 000 for 1988-89 and \$598 000 for 1989-90. Common law settlements were \$909 000 for 1988-89 and \$519 000 for 1989-90. The total cost for 1988-89 was \$2 036 000, and \$1.6 million for 1989-90. The compensation allocation budget for 1988-89 was \$2.5 million, and for 1989-90 it was \$2.1 million. The situation is improving. The number of workers compensation claims has reduced from 247 to 190 this financial year.

The Hon. JENNIFER CASHMORE: In that case one is bound to congratulate the Minister and his officers on a good result. This question could be related to page 103 of the Auditor-General's Report, which refers to the commercialisation of Sacon. A review of Sacon's operations would have taken place prior to the decision to commercialise certain elements of Sacon from 1 July this year. Did the review show whether any divisions of Sacon were non-competitive? If so, which ones?

The Hon. M.K. Mayes: The commercialisation exercise which is being undertaken was really looking at what avenues or opportunities existed for Sacon further to enhance its commercial activities.

The review to which I referred, and which involves the Hon. Hugh Hudson, Mr Merrish and Mr Cossey, will be significant and will look at the activities that Sacon currently undertakes, what it should be doing for the Government and the community, and what shape it should take going into the 1990s and the turn of the century. Next year, when we come before the Estimates Committees, it will be appropriate for us to explore what that committee of review has recommended and in what specific areas of activity Sacon suggest it should and should not be involved. I will be much better placed than to answer the honourable member's question in a comprehensive way, the review documents will be around and the honourable member will be able to assess for herself the impact that that review has had on Sacon and its activities.

At this point, it is proper to say that we do not have a full picture, and that is why the Corporate Planning com-

mittee has asked me to look at Sacon's charter. I thought the most appropriate way of doing that would be for an independent group of people who have some knowledge of Government and industry and their functions to look at Sacon. Consequently, we have some very distinguished people involved in that review, and I imagine that they will come up with a fairly detailed document which will delve with a great deal of sensitivity and skill into Sacon as it stands today, make some very far-reaching suggestions about where it might be at the turn of the century and what we must put in place in order to provide for the foundation of an organisation to run its operations successfully and provide a building and advisory service to the Government and the community. I am not trying to avoid the question, because the exercise that the member suggests has not really been undertaken by the commercialisation exercise, but I can assure the honourable member that this review will do that. I think there will be some interesting topics for debate within and outside Sacon: in Government, Parliament and the community as a whole.

Mr HERON: In the light of tight budgetary constraints, it is becoming more important than ever for Government to have confidence in the estimates of project expenditure provided and that these budgets are adhered to. What measures are used to ensure that estimates are accurate and that projects are kept within the budget?

The Hon. M.K. Mayes: Mr Chairman, I am sure that you would appreciate these questions about project estimates. It is very important that we identify the management control of these major projects. When project estimates are initially identified for a capital program they are often based on scant information, so there is a high probability that the estimate will be wrong. Work done by the E&WS Department and Sacon is developing a computer-based technique to identify the confidence levels, or probability levels, of earlier estimates, known as 'range estimating'. This helps to identify high risk elements in the project on which, if we look at the number of one-off projects that Government sometimes saddles on departments such as Sacon and E&WS, it is very difficult, in terms of the information available, to give a highly accurate estimate of cost. I suppose we can look at buildings such as the aquatic centre, the velodrome and the hockey stadium, which are not things that one builds every day. If one looks around the country, at the cost blow-outs on some buildings such as the Entertainment Centre in Sydney and other significant buildings such as the Opera House, a number of buildings come to mind where estimates have been made and, because of complexities, the final product, the technology required and difficulties in construction have been at significant variance with the original estimate. We want to try to tie that down as much as we can, so we are entertaining and developing a computer-based technique in our new financial management system, as well as on a personal computer basis, to reach flow project expenditure, and then monitor commitments with actual expenditures going through.

So, a lot of work has been done. When I was at university, work was being done, but now that technology has advanced so significantly that the accuracy can be improved. It is always a difficulty. Having been a member of the Public Works Standing Committee some years ago, I know that it was always the bane of that committee, because we wanted to tie things down to the nearest cent, and it was a very frustrating exercise endeavouring to do that. One has to appreciate the architects' and engineers' point of view that they are sometimes dealing with the unknown and, consequently, they need to be offered some scientific technology to give them a handle on what is happening. That is being

obtained, and the other physical factor in terms of the relationship with clients is also being considered. Some clients can drive our architects and engineers to despair because of the lack of brief they might initially offer, in terms of what they want in the building or facility that they require in the end. We must try to pin them down, and that process needs close liaison with those clients; we are endeavouring to work that out on a client-based program.

Mr HERON: I note from the estimates and program information that the provision of essential services to Aboriginal communities is assuming a greater importance in the operations of the department. Will the Minister give an outline of services provided to Aboriginal communities, including some background on funding considerations?

The Hon. M.K. Mayes: First, I want to acknowledge the work that is being done by our division, and in particular our Director, Mr Ian Carter, who is with us here today. From my experience and my exposure to Ian, I know that he is doing an excellent job. He is forthright; he is quite matter of fact about his objectives; and he gets on with the job. I think that has added a significant contribution to our Aboriginal works program. It is fundamental to having the right personnel in the right spot and, from my observations, Ian is the person who fits the bill, spot on.

This is not an easy task, and I am sure that any member who has had any involvement in terms of trying to meet the needs of the Aboriginal community would agree with that, because there is a diversity of demands and, obviously, a need to be very clear when talking to our Aboriginal communities about their needs. Sometimes, the white man's ways are very obscure and odd, and we would all agree that sometimes we, too, find them oblique and obscure. It needs a sensitive and communicative person sitting at the helm of that division to convey what we want and what they want so that they match, and to meet their needs in an efficient and cost-effective way. So, we are lucky to have the services of Ian Carter, who is being used by the community as a whole as a valuable and important resource.

The Aboriginal Works division provides a range of services. The essential service agreement with the Commonwealth is fundamental to that. As members know, the State pays for recurrent works such as maintenance, running costs, generators, pumps, power, water and sewerage. We have a long way to go; we acknowledge that. In many ways, we have ignored our Aboriginal community and we have had to redress that significantly. However, we still have a long way to go. The Commonwealth pays for capital works, including major items of plant replacement and new projects, and both Governments aim to promote safe and healthy living environments for our Aboriginal communities.

The Aboriginal Works Division provides, or arranges for, a range of personnel physically to maintain essential services (and I think that, again, this is where Ian comes to the fore because of his skills and his personal relationship with the people involved in delivering those services); inspects contractors' work; provides financial accounting services to assist communities' forward planning for essential services; designs, documents and supervises capital projects on a fee-for-service basis for the Commonwealth; and administers the Anangu Pitjantjatjara roads program.

That is a very essential service which is being provided. From my experience, Ian's support and the way he has worked with the community and his officers has been fundamental in some of the success that we have achieved in this area.

Funding for the essential services is provided by the E&WS and ETSA. In 1989 the budget was \$3.2 million and the expenditure was \$2.8 million. Each year a contingency

is included in the budget to cover the possibility of having to provide emergency measures and, as we know, in some of the isolated locations that can be quite severe. In past years we have seen flooding and other events which have caused severe damage to some of those physical facilities, and unspent contingencies are returned to those agencies as a consequence of the end of year financial accounting.

It is a very important and fundamental service. It is provided in very isolated communities where disaster can occur and where we need to be on deck very quickly and very efficiently. Also, we provide services through the Aboriginal Works Department for maintenance of Government assets and the construction of new houses for the Office of Government Employees Housing. A total of 17 houses is provided in the 1990-91 budget. It is a pretty good service and we should be very pleased with what Ian and his staff have achieved.

Mr HERON: At page 281 the Program Estimates state: Assisted industry in joint venture negotiations both here and overseas.

Will the Minister expand on that statement?

The Hon. M.K. Mayes: There are no current overseas projects on the timetable. In July 1989, Sacon was advised by the Singapore Public Works Department that the consultancy bid for the Singapore public works for the repair/restoration of the City Hall and Supreme Court buildings was unsuccessful. Although we ranked in the final three of seven tenders, the project was awarded to a UK based firm (Oscar Faber) with a local contact/office in Singapore. The Public Works Department also reduced the scope of the consultancy to stage I only (investigation and documentation—no supervision). The successful tender of approximately A\$800 000 was two thirds the figure submitted by the Sacon/Pak-Poy consortium for stage I.

While Mrs Goh-Sim (Project Architect) was very grateful for the assistance we gave the Public Works Department in assisting with the preparation of the conservation specification for the tender call, the price was the significant factor. She advised that there may be other smaller works, Parliament House and the Fullarton Building, eventually to be programmed for restoration.

Although unsuccessful as far as gaining work and prestige for Sacon, the exercise was at least very informative and worthwhile in understanding the attitudes to and expectations of conservation work on historic public buildings in another scene, particularly internationally. It has emphasized the need for a balanced and practical approach to restoration and rehabilitation works.

Members would appreciate the achievements Sacon has had with restoration works on heritage buildings. In my electorate, the Goodwood Orphanage has become a show piece for our community, and I invite any members to view that building, because it has been superbly done. I have many friends who live near the orphanage and, from their comments, I know that they enjoy the facility immensely.

We are interested in these overseas specialised tasks and we should maintain contact with the relevant authorities in Singapore, bearing in mind that we worked with a private company locally based—Pak-Poy Consortium—and that is a very useful blend. It has been done very successfully in areas over which other Ministers have responsibility, and I know we worked very successfully with a number of agricultural consulting firms. Much is to be said for our continuing that type of work and activity, particularly with our expertise in the restoration of heritage buildings.

Mr MATTHEW: With reference to page 269 of the Program Estimates under 'Property Development', will the Minister confirm that Sacon was the project manager for

the resurfacing of the Adelaide Festival Centre plaza? Further, did Sacon supervise this project and what were the total fees received by Sacon for this role? Finally, will the Minister advise the total amount spent on the Festival plaza improvements and repairs?

The Hon. M.K. Mayes: The Festival plaza has obviously drawn quite a deal of attention from the point of view of the comments by Opposition members about the overall project. The construction manager for the project was Hansen Yuncken and the initial project contracts were let in September 1987. The larger contractors were Kirkwood Pty Ltd for plaza renovations, Precast Manufacturers for the marble and cement, P.T. Demolition for the placement of handrails, Hansen Yuncken for the placement of paving, Hansen Yuncken for water sculpture, Kirkwood Pty Ltd for a new store building, K.W. Cockshell for a rebuilt box office, and Marshall Green for the south plaza landscaping. Sacon took responsibility for the project management. The project manager was a Sacon employee.

The Public Works Standing Committee estimate was \$8.82 million in July 1986. The Public Works Committee estimate, escalated to completion, was \$10.64 million. The original approval was \$10.7 million. Additional funds approved were \$200 000. The programmed completion cost was \$10.98 million. Expenditure to 30 June 1990 was \$10.629 million. Expenditure in 1989-90 was \$3.735 million. Proposed expenditure for 1990-91 was \$350 000, and the planned completion date was March 1990. This was a fairly complex engineering exercise.

It is not a one-off option. We can say that within standard engineering tolerances the work has been performed to an acceptable and reasonable standard. It is fair to say that the performance of those parties, apart from a couple, has been quite acceptable.

We had the Opposition spokesman (Hon. Legh Davis) pictured in the paper the other day holding a chunk of plaza and indicating a general deterioration of those pavers to the point where they are unsafe. We have to understand that the construction of the plaza is unique in the sense that our pillars have rubber cushions holding the pavers in place and, consequently, because of the design and nature of the need for water collection into a membrane and then the dispersement of that water through an appropriate flood-water outlet, those pavers are suspended in a unique way.

There will be some feeling of motion when people walk on them because of the nature of the suspension. We are now looking at corking techniques to give greater stability to those pavers. That will be investigated and duly put into place. There are arguments about the tolerances between each of the pavers. General tolerances are well within accepted engineering standards, about 12 millimetres. That has to be understood as part of the exercise as well in terms of the engineering requirements involved in the construction and completion of that task.

We believe that the paver damaged was damaged by an outside force, rather than reflecting the deterioration process of the paver. There may have been a truck or some other physical force that caused the damage to the paver. The damage has been discovered, but it is not in a general area of pedestrian traffic, and obviously the matter will be duly addressed. The press report was somewhat exaggerated. The impression that I got on opening the paper was that these pavers are collapsing every minute under the ordinary stress and wear and tear of pedestrian traffic, or as a result of construction error. However, I do not believe it is fair to suggest that. Really, it is just an accident that occurred to damage that paver.

As I say, we are looking at an additional means by which we can offer greater stability. Certainly, in no sense is anyone in danger, but we hope to improve the stability experienced when one walks over the pavers. People believe that the northern section of the plaza is involved in the exercise. They have said that water comes through to the car park area, but that is not the area addressed. We were looking at water damage to the structural joints in the northern section of the plaza—we were addressing those structural issues.

The advice I have had from the engineers and architects is that we have successfully addressed those problems. One can be attracted by a blaze of publicity to say that this whole plaza area is a disaster. It is not; that would be a gross exaggeration of the situation. The plaza work is within engineering tolerances. It has been a complex exercise in placing the pavers. It is not, as the honourable member suggested, like laying bricks in one's backyard at all: it is a much more complex engineering exercise and we will be continuing to review that situation to try to bring further stability to the pavers so that there is less of a sense of motion when one passes over the pavers. Members of the Committee should bear in mind that there is a unique reason why this is the case: it is how the pavers are suspended on the pillars.

Mr MATTHEW: Why did Sacon claim in a public statement in August this year that there was no more than a 10 millimetre gap between the concrete slabs on the plaza, when a visual inspection will reveal dozens of gaps of more than 10 millimetres that are not only unsightly but also dangerous? Has the Minister inspected the plaza during the restructuring, including those areas north and west of the theatre?

The Hon. M.K. Mayes: The gap between the pavers is between eight millimetres and 12 millimetres. In the press release the department claimed an average of 10 millimetres, which is a fair statement based on the figure used by the department. I have inspected the area as I often access the linear park on the Torrens as part of my job. I have seen and experienced walking on the pavers. There has to be some tolerance. A high-heel could fit in the cavity and that should be borne in mind in terms of negotiating the plaza but, in general, it is reasonable to say that the gaps are within the tolerance range. We are keeping the issue under review and we will be looking at the corking method to improve further the situation for people using the plaza for recreation or general access to and from the city.

Mr MATTHEW: As a further supplementary question, my initial question sought the total fees that were received by Sacon for its supervision of the project.

The Hon. M.K. Mayes: Although I recall the honourable member asking that question, I will have to take it on notice because I do not have that information available. We will provide it to the Committee.

Mr MATTHEW: Are there any plans to reduce the size of Sacon's facility at Netley, and what is the ratable value of the land?

The Hon. M.K. Mayes: Part of the review of Government services generally will contemplate some changes. I would be surprised if the physical size of Netley is reduced, because there may be some consolidation of other departmental activities within the Netley facility, bearing in mind that StatePrint and Sacon are there. There may be plans now afoot to rationalise some Government maintenance services, Government garages, and so on. Netley might become a focus for further enhancement of those steps to gain efficiencies for Government facilities. At present there are

no plans to rationalise those physical resources at Netley. My guess is that we might be rationalising services in other locations and relocating them at Netley to get an efficiency factor into other departments. The capital value is \$21 million, and I will have to take on notice the question about the ratable value.

Mr MATTHEW: Is Sacon still building relocatable buildings at Netley? If so, what is the budgetable value of those buildings in 1991 and the actual value in 1988-89 and 1989-90?

The Hon. M.K. Mayes: Yes, relocatable buildings are currently being built. I will have to take the rest of the question on notice.

Mr LEWIS: I would appreciate it if the Minister would take on notice the usual three questions which I ask at the outset of these inquiries and which he might reasonably anticipate I will ask immediately after dinner. We find no mention in Financial Paper No. 1 of the number of motor vehicles within the Minister's departments and agencies under this line, the types of motor vehicles, whether or not any of them in the heavier vehicle category have been converted to gas—mains or LPG—or whether any are run on deisel? If they have not been converted to gas, I would like to know why.

The Hon. M.K. Mayes: Sacon operates 454 vehicles. All vehicles are available for general use. They consist of 143 passenger vehicles, 290 light commercial vehicles and 21 heavy vehicles. The number of passenger vehicles decreased by six from last year. The number of light commercial vehicles increased by 39. The number of heavy vehicles decreased by five. There was a total net increase of 28 over the past year. All vehicles were replaced according to State Supply Board guidelines; that is, light vehicles, two years or 40 000 kilometres, and commercial vehicles within a maximum of six years or 120 000 kilometres. The policy on the use of vehicles is in accord with Circular 30, issued by the Commissioner for Public Employment. Actual expenditure on vehicles in 1989-90 was \$2.87 million and the proposed expenditure in 1990-91 is \$3.1 million.

Mr LEWIS: Can the Minister also provide the number of vehicles that have been converted to mains gas or LPG? Are any vehicles for the exclusive use of officers, whether chief executive officers or otherwise?

The Hon. M.K. Mayes: There are no cars on LPG gas. I will certainly take the question on notice. I notice that fuel prices have hit 75c today. I have worked out that at 34 000 kilometres travelled per annum conversion starts to be economic. I have done my own exercise on this because I am thinking of changing from using unleaded fuel to LPG. I think that there is some question about whether or not we should embark on that exercise. I take the honourable member's point very clearly. No vehicle is for the exclusive use of anyone, including the CEOs. If the CEO's vehicle is available it follows—in accordance with Circular 30—that if someone needs to use a car or to get some item or for some urgent matter that vehicle is there to be used, and that has occurred.

Mr LEWIS: We note that there is said to be a number of committees in all Government departments and agencies. Whether or not that is accurate, as reported in Budget Document No. 5, we do not question, but we want to know how many such committees there are, when they were formed and their purpose. Upon which of those committees are there members who are not departmental employees? Of those committees which have non-departmental or non-Government agency employees, is a sitting fee paid? What professional qualifications do any such people have and why were they put on those committees or statutory author-

ities etc? I would be happy to accept that information in some form of table if the Minister were willing to provide it.

The Hon. M.K. Mayes: The honourable member may debate what definition we apply to a committee, and I think it is important. I will take his question on notice and provide an answer in relation to what we define as our committees, the number, the role they perform, and so on.

Mr LEWIS: We are curious to know how many consultants or consultancies there have been during the past year, how many are planned next year, who was awarded them and how much they cost.

The Hon. M.K. Mayes: Again, I will take that question on notice and provide a comprehensive answer through the Committee.

The CHAIRMAN: There being no further questions, I declare the examination of the vote completed.

Works and Services—Department of Housing and Construction, \$199 281 000.

Minister of Housing and Construction and Minister of Public Works, Miscellaneous, \$59 596 000.

Mr ATKINSON: In the capital works program (at page 17) the construction cost of the Hindmarsh Entertainment Centre is estimated at \$44.7 million, but in the Auditor-General's Report (at page 165) the same estimate is \$47.7 million. Which estimate does the Minister prefer?

The Hon. M.K. Mayes: I was at the Entertainment Centre site this morning. It was very exciting to see the last main beam go in. In fact, it should be fixed by now. That will mean that complete roofing will be completed very shortly. I know that the honourable member is very interested in that. I am sure that he will be very pleased with the end result, because it will be an exciting building. This question of the public works estimate came up in the House—the final accepted cost from Cabinet—and it is on budget. The estimate that went before the Public Works Standing Committee was for \$40.7 million, plus or minus 10 per cent, which is the standard process. The final accepted fixed cost figure was \$44.7 million and that still stands.

We will spend \$45.1 million on it because we have encountered new fire safety provisions which have had to be instituted in the building. I am sure members will agree with that given that, on occasions, 12 000 people will be there. Additional seating has been added and this has increased the cost from \$44.7 million to \$45.1 million. The Auditor-General's Report makes reference to a figure of \$47.4 million. The Premier and the Leader have received a letter from the Auditor-General explaining that it is a typing error and that the figure should be \$44.7 million. The building is still within budget. It is ahead of time by two or three days and, now that the roof is going over, it will be reasonably plain sailing to the finish.

I congratulate the project managers (Jennings) and all the workers. The building will be commissioned in June next year and ready for the first concert or sporting event in August 1991. It will be a credit to the State and a facility of immense value. Its location, with the flag in the centre of the building, will make it a superb asset for the community.

Mr LEWIS: Mr Chairman, when you were Minister, you showed great concern for the staff of Sacon and dealt with matters concerning those employees in a personal way. How

many daily paid staff are employed by the department? Does it represent an increase or a decrease?

The Hon. M.K. Mayes: I will provide statistics for 1982 through to 1989. As at 30 June 1989, there were 719 GME Act employees and 1 032 weekly paid employees. In other words, the ratio of GME Act employees to non-GME Act employees is 65 per cent. In 1982, there were 937 GME Act employees and 1 482 weekly paid employees, giving a ratio of 61 per cent. As of today, there are 971 non-GME Act employees and 765 GME Act employees.

Mr LEWIS: I refer to page 190 of the Estimates of Payments. With respect to Government employee housing, there has been a dramatic increase from \$2.5 million last year to \$6.93 million this year. That increase of approximately \$4.4 million has been expended on purchases and the construction of new houses for Government employees. Why? There is no explanation of it elsewhere. Can the Minister explain?

The Hon. M.K. Mayes: Two new initiatives sparked the increase, and I can provide a breakdown for the honourable member. I refer to the Muirhead commission and part of the guaranteed curriculum program in the Education Department. The new capital works program is set out. For new residents, 22 houses have been built at a cost of \$2.145 million. In remote areas, for new residents, \$3.48 million has been spent on 23 houses. I will provide details of the locations of those houses later.

Mr LEWIS: Last year, \$1.7 million was spent on modernising and upgrading and, this year, \$2.645 million will be spent. Where is that additional \$1 million being spent? A number of my constituents live in Government employee housing. Like other country members, I receive complaints and inquiries from police officers, teachers and the like about the cramped accommodation they have to endure. If this money is to be spent, I hope that it is spent fairly for the comfort of the people who serve in the country and more remote areas of South Australia.

The Hon. M.K. Mayes: That is the thrust of it. As the honourable member knows, some of our assets were deteriorating. There was concern in the remote areas about the quality of housing provided. The details are as follows: general upgrading, including renovation, fencing, insulation, garages, paving, security doors, over \$735 000; carpet program, \$500 000; air-conditioning/heating program (remote areas), \$100 000; capital maintenance (hot water services, etc.), \$1 million; provision of furniture, \$200 000; and minor works, \$140 000. That brings it up to the total. It is a quite significant upgrading program. If we are to keep quality employees and compete against private enterprise for their services, we will have to maintain and upgrade those facilities.

The CHAIRMAN: Having reached the agreed time, I declare the examination completed on the vote for Works and Services, Department of Housing and Construction. I remind members that the line for the Minister for Housing and Construction and Minister of Public Works, Miscellaneous will remain open (page 106 Estimates of Payments) as it deals with the housing aspect of the Minister's portfolio.

[Sitting suspended from 6 to 7.30 p.m.]

Works and Services—South Australian Housing Trust,
\$72 237 000

Chairman:

The Hon. T.H. Hemmings

Members:

Mr M.J. Atkinson
Mr S.J. Baker
Mr P. Holloway
Mr I.P. Lewis
Mr W.A. Matthew
Mr J.A. Quirke

Witness:

The Hon. M.K. Mayes, Minister of Housing and Construction.

Departmental Advisers:

Mr J. Messner, Acting General Manager, Housing Trust.
Mr J. Luckens, Director of Housing.
Mr G.D. Storkey, HomeStart Finance.
Mr A. Larkin, Manager, Officer of Housing.
Mr J.T. Reynolds, Manager, Corporate Development.

The CHAIRMAN: I declare the proposed expenditure open for examination. Mr Lewis, do you wish to make an opening statement?

Mr LEWIS: No, Mr Chairman.

The CHAIRMAN: Minister, have you a statement to make?

The Hon. M.K. Mayes: Yes, Sir. The State Government's housing policies reflect a continued commitment to the principles of social justice. These are based on an understanding of the link between housing, as a basic need, and the quality of people's lives. As such, the policies aim to ensure that housing assistance is delivered equitably across housing programs, in relation to the various housing needs within the community and with particular regard to the available resources.

One of my difficulties is to determine how diminishing resources can best be used to address housing provision in line with housing need. The process of determining the priorities for housing programs for 1990-91 has involved widespread consultation with community and industry organisations in the course of drawing up the South Australian housing plan. This new procedure has allowed the Government to use the experience and expertise of these organisations to ensure that the available resources are allocated across the range of housing programs in a way which most accurately reflects the diverse range of housing needs and which promotes a variety of housing options.

Under the terms of the new Commonwealth-State Housing Agreement (CSHA) there is an unavoidable reduction in funds from the Commonwealth to South Australia which in turn increases the reliance on the State Government for funding. It should be noted that a new way of presenting the housing program budget has been introduced in the 1990-91 budget papers.

In the Estimates of Payments paper, the recurrently funded programs for 1990-91 appear as 'Other Miscellaneous Payments' on page 106; the equivalent programs for 1989-90 are 'Housing Assistance' and 'Policy Advice to the Minister of Housing' on page 101.

The housing capital program is now divided between the programs administered by the South Australian Housing Trust and those which are the responsibility of the Office of Housing. The relevant tables are on pages 189 and 190.

Over the past eight years there have been significant contributions to housing South Australians: 8 613 new tenants were housed in the past year; 16 700 net additions to rental stock have occurred of which 1 760 houses were constructed or purchased in 1989-90; 20 000 home loans have been provided through the home scheme and HomeStart—4 823 in 1989-90; 51 000 people have received relief in the private rental market (5 905 in 1989-90); 98 500 households have been granted relief from stamp duty on the purchase of their first home (9 605 in 1989-90); 188 000 households were assisted to find private accommodation in emergency circumstances (34 754 in 1989-90); and 1 165 dwellings have been acquired for housing cooperatives and community housing programs (205 in 1989-90 and a further 360 are planned for 1990-91).

The special needs of groups such as the disabled, the aged, Aboriginals, women and youth are increasingly addressed in my priorities for housing. Since the Year of the Disabled in 1981, specially designed units have been built in most housing developments to include the installation of ramps, hand and grab rails and special door handles. At 30 June 1990 the Housing Trust had a total of 4 342 dwellings which had been modified or constructed specially for the disabled.

Since 1954 the Housing Trust has built 7 834 cottage flats specifically for allocation to people over the age of 60 years. In 1989-90, 1 111 tenants were allocated to such aged persons' accommodation. There are currently 1 430 dwellings available for Aboriginal housing. In 1989-90, 357 new tenants were housed in such accommodation—an increase of 41 per cent on the previous year.

Housing need among young people has become increasingly evident during recent years. Applications for rental accommodation increased during the year, comprising over 40 per cent of all applications lodged with the Housing Trust. During 1989-90, 2 828 houses were allocated to tenants under 25 years of age. This trend is expected to continue into 1990-91.

Since 1981, the Housing Trust has set aside houses to be run on a minimally supervised basis by community groups or to be leased directly to youth under the direct lease scheme. There are now 636 houses utilised under those schemes. During 1989-90 a boarding house in Carrington Street was restored and a boarding house in Noarlunga was constructed. A number of youths were involved in the initial design of the units and will perform some of the management responsibilities involved in the day-to-day running of the project. Renovations currently being undertaken on a boarding house in Unley are due for completion in 1990-91.

The Rental housing cooperative program was established in 1980 as an option for low-income households seeking secure accommodation at an affordable rent. Following a review of housing cooperatives during 1989 the program has been divided into two. The first component is the housing cooperative program, which has tenant management and equity sharing as its basic premise. During 1989-90, 139 dwellings were purchased or commenced for the 38 established cooperatives and a further 300 dwellings are programmed for 1990-91.

During this year, new legal, financial and administrative structures for the housing cooperative program will be implemented, and I expect increasing numbers of South Australians to choose this popular housing option. South Australia is providing clear national leadership in housing innovation with the housing cooperatives program. I will be introducing legislation to establish an authority for the administration of this new program.

The second is the community housing associations program, which provides shelter to groups in the community who are disadvantaged by more than just low incomes; they include the disabled, people of non-English speaking backgrounds, victims of domestic violence, ex-prisoners and many more. During 1989-90, 66 dwellings had been purchased or commenced for the 18 established community housing associations, and in 1990-91 a further 60 dwellings are planned to be purchased.

The involvement of tenants in the management of public housing was commenced in 1983 and will continue to be encouraged through the Housing Trust's tenant participation program. At 30 June 1990, there were 97 active tenant participation groups throughout South Australia. Regional housing advisory boards comprised of tenants who will advise the Housing Trust on tenant matters are being established in all Housing Trust regions. During 1989, a State-wide tenants meeting was held and a trust tenants' advisory committee was established. I fully endorse the involvement of Housing Trust tenants in the processes of information, consultation and policy making.

I have a firm commitment, as does the Government, to enhance the rights of housing customers, and, in doing so, we are currently examining proposals for the development of effective independent appeal mechanisms. The Government is considering introducing legislation for Housing Trust tenancies under the Residential Tenancies Act.

A key emphasis in the State's social justice strategy is the promotion and support of home ownership through HomeStart, which will continue to play a crucial part in providing financial packages which extend the home ownership choice to large numbers of South Australian households. Since launching HomeStart in September 1989, the Government has been able to take a justified pride in the success of the scheme; in particular, around 2 700 loans have now been settled. Approximately half these loans are for new construction, and the home building industry in South Australia has consistently acknowledged the importance of HomeStart in avoiding the downturn in private residential construction experienced in other States.

During 1990-91 HomeStart will launch a progressive ownership scheme available to the broad community. This scheme will allow people to purchase a part share in their home, while paying a modest rent to reflect the costs of the other share. Year by year, they will increase their share as their finances improve, and will be able to take over full ownership at any time. This mixing of private and public funding and innovative housing schemes will be a hallmark of much future housing activity as we move into an era requiring clever answers to meeting housing needs.

In addition, Housing Trust tenants are encouraged to purchase their homes. Sales to Housing Trust tenants are generating much-needed capital to build, buy and redevelop in areas of high demand, whilst promoting mixed tenure in large Housing Trust estates. During 1989-90 a total of 858 houses were sold to tenants, of which 147 were made under the progressive purchase plan and 31 were financed under the rental purchase scheme. In 1990-91 it is estimated that 850 tenants will purchase their homes, including 150 on progressive purchase.

The Social Justice Unit of the Premier's Department is developing a social justice strategy for Elizabeth and Munno Para. This arises from the acceptance of a key emphasis in social justice in 1990-91 on developing and supporting models of activity which impact at local and regional levels and which involve collaborative effort with other Government agencies, local government and community organisations. Elizabeth/Munno Para has been selected as one of

the most impoverished and disadvantaged areas in the State and as a model to establish an approach which may be of general application in areas where the effects of compounding disadvantage are most evident.

In closing, Mr Chairman, I draw to the Committee's attention the declining availability of resources needed to meet housing need. Although the number of households waiting for public housing has stabilised at just over 41 000, this is obviously far too high. It has increased over 100 per cent from 18 600 in 1980. South Australia has a proud record of providing housing opportunities, whether it be through home ownership, private rental assistance or public housing. The Housing Trust has constructed over 100 000 dwellings since 1936, providing housing to one out of every five South Australian households. This Government has continued that tradition throughout the 1980s, at a time when demand for public housing has exploded.

The Housing Trust has been able to maintain building programs of an average of 2 000 units per year during the 1980s, with a peak of 3 600 units constructed and purchased in 1984-85. The funds available to South Australia in 1990-91 will no longer facilitate the necessary levels of new construction: funds which I reiterate took some time, and a lot of commitment by this State Government, money and work to realise. The expected level of commencements in 1990-91 will decrease to around 1 400 units for both public and cooperative housing. In future years, because of decreased Commonwealth funding, I expect the Housing Trust's building program to decrease further, possibly to as low as 700 units per year. The waiting times for public housing are therefore most likely to increase in the immediate future.

I should point out that the decrease in Commonwealth funding was not received lightly by the Government. Both the Premier and I negotiated to the very last opportunity with the Commonwealth in attempts to secure additional funding. This State was the last to sign the Commonwealth-State Housing Agreement, and the Government's position is quite clear on the matter. Nevertheless, the Commonwealth will not increase its level of funding to the State over the next few years, and I regret that South Australia will continue to face difficulties in maintaining the public housing levels achieved during the 1980s.

Mr LEWIS: Could the Minister give me a copy of that? He is a very good reader and somewhat quicker than my ear can catch. He made some important statements there and I would not want to waste the time of the Committee or embarrass the Committee or myself by asking for information that has been included in that statement.

The Hon. M.K. Mayes: I will be happy to provide the honourable member with a copy of that.

The CHAIRMAN: While the member for Murray-Mallee is receiving a copy of the Minister's opening statement, I remind the Committee that the line 'Minister of Housing and Construction, Minister of Public Works, Miscellaneous, \$59 596 000' is still open for examination, but only on page 106. That line was not closed prior to the dinner adjournment.

Mr MATTHEW: I refer initially to page 371 of the Auditor-General's Report, which makes some specific statements regarding housing cooperatives. Will the Minister elaborate by providing detailed information with reference to the concerns that were expressed by the Auditor-General, namely, that there had not been satisfactory maintenance of accounting information to facilitate the recouping of funds from housing cooperatives?

The Hon. M.K. Mayes: I thank the member for his question. I certainly acknowledge that there has been some

discussion within the community about housing cooperatives and, as I have indicated, a Bill which will address this very issue will be presented to Parliament shortly. It is appropriate to say that the concerns that have been raised by a number of individuals in the community will be addressed by this comprehensive Bill. It will be introduced in the near future when Parliament resumes. This Bill will address all the concerns regarding the operations of cooperatives. It will address those legal and financial issues and tighten up the whole program significantly, and that is the intention of the Bill.

From the Auditor-General's comments, I think there is concern that some groups have not complied with their financial agreements with the trust. These areas have been followed up with the organisations concerned, and I think that in some cases it is a misunderstanding on the part of those cooperatives about their legal requirements; some relate to new management taking over, because there is a fluidity in their structure, and we must accept that we will address that with the whole concept of the Bill when it comes before Parliament.

Mr MATTHEW: Supplementary to that, the Minister mentioned briefly some of the Auditor-General's concerns about the adherence to financial agreements. Could the Minister advise how many, and which, cooperatives and associations, were involved in breaches of those agreements, and will he also detail the nature of the breaches and the amount of money involved?

The Hon. M.K. Mayes: At this point, I cannot provide that detail, but I will certainly take it on notice and provide the information in accordance with Standing Orders.

Mr MATTHEW: I would like to ask another question, and I appreciate that the Minister will probably also have to take it on notice. Could the Minister give the names of each housing cooperative in receipt of a Government subsidy to assist the cooperative's financing obligations, the number of houses in each of those cooperatives, and the financial subsidy received by each cooperative in 1989-90 and projected for 1990-91?

The Hon. M.K. Mayes: I can inform the honourable member that approximately 37 housing cooperatives are in receipt of Government funding. I will take the question on notice and give full details so that it becomes recorded in the reports of this Committee.

Mr MATTHEW: I refer to page 106 of the Estimates of Payments. Will the Minister explain both the assumptions made and the calculations involved in projecting a budget for \$6.7 million in grants for 1990-91 to home buyers under the Homesure scheme?

The Hon. M.K. Mayes: I made it quite clear to the Parliament that we expected a far greater take-up with regard to the Homesure scheme. The actual expenditure for this year is approximately \$800 000 and the proposed expenditure for 1990-91 is \$1.1 million. The administration expenses cover payment to the South Australian Housing Trust to fund the administration of the Homesure scheme. The 1990-91 figure provides for the continuation of the administrative services. The estimate of grants to home buyers is based, as the honourable member referred, on expectations of \$6.7 million.

Mr MATTHEW: I am still not clear on that matter. That \$6.7 million is the total amount of grants; how much was allocated to administer the scheme?

The Hon. M.K. Mayes: The administration cost proposed for 1990-91 is \$1.1 million.

Mr MATTHEW: As a supplementary question, based on the take-up which was less than expected in the past finan-

cial year, does the Minister expect that all the \$6.7 million will be utilised?

The Hon. M.K. Mayes: These figures are based on the initial ABS figures. They were further tested from a set of anonymous background data provided by the State Bank, and those figures were further reviewed down by Treasury. This is the best estimate, based on information supplied. Given that interest rates are moving as they are, I expect that the take-up rate on that \$6.7 million will be much lower and, with recent announcements of 15.25 per cent interest rates, I imagine that the figure will be much lower than \$6.7 million.

Mr MATTHEW: As a further supplementary question, should that be the case, does the Minister see a situation arising where he may go back to the original qualifications for Homesure, which were spelled out as part of the pre-election promise by his Party?

The Hon. M.K. Mayes: These are the original qualifications that were spelt out.

Mr ATKINSON: Under 'Policy advice to the Minister on housing', referred to on page 274 of the Program Estimates, mention is made of a review of the housing cooperative program as a 1989-90 specific target. The review was to lead to a new legal administrative and funding structure. In their book *Budgetary Stress*, Blandy and Walsh argue that the cost to Treasury of providing accommodation under the housing cooperative program is much greater than the cost of providing ordinary Housing Trust accommodation. Will the Minister explain the advantages of housing cooperatives over ordinary Housing Trust accommodation, and will he comment on the Blandy and Walsh assessment?

The Hon. M.K. Mayes: I am very much aware of the various analyses that have been provided by a variety of people with regard to the importance of the cooperative housing program. In essence, it provides another opportunity for us to source funds outside the traditional source, that is, through Commonwealth-State housing agreements. In my assessment, the long-term administration can be quite efficient and very productive, and the efficiencies can be realised in the sense that the tenants are the owners and have the responsibility for the maintenance of the asset. That has certain economies of scale which contribute to the program.

In addition we are going what might be termed outside the general purpose loan area, so we are accessing funds outside our normal restriction, thereby bringing into a program (if this year's target of some 300 homes is reached) something which we would normally not be able to access and achieve. There is a very practical reason for offering cooperative housing in the sense that a range of housing can be offered to a variety of consumers who would not normally access it and would probably be on the ordinary Housing Trust waiting list but would not be in a category warranting priority or special attention. Consequently, we are actually achieving housing for those people outside the normal processes that were available for housing under the CSHA and the Housing Trust programs.

There are certain benefits to it. I can see the Blandy argument that, where you do not have a centralised and organised process of administration, it adds some inefficiencies because you can get a diversity of interpretations and applications, but there are also inherent disadvantages in large organisations. Cooperatives, by having locally-based community groups running them, have a pride and interest in their own facilities. One of them (Hindmarsh) has as many as 70 units, and is planning to have another 20 or 30. It is a fairly large organisation and certain efficiencies would be enjoyed by it.

There are some very strong arguments in favour of the efficiencies that cooperatives offer, particularly in the maintenance area and in the direct responsibility that each tenant has. That is something that would not normally be available to us.

Mr ATKINSON: Is the Minister saying that houses under the housing cooperative program are houses that would not otherwise have been built due to the financial arrangement?

The Hon. M.K. Mayes: Yes.

Mr ATKINSON: I refer to 'Housing Assistance' on page 273 of the Program Estimates. A few people in my electorate have said that they believe the Government's HomeStart loans program is about to be wound up. What are the Minister's intentions with HomeStart?

The Hon. M.K. Mayes: It will be wound up in a different way, because we will encourage it and continue it. Part of the process we are currently undertaking is a review of all statutory Acts, as an omnibus review. Part of that process is to look at how best we can locate the administration and legal identity to the HomeStart program. The Government remains very strongly committed to this program because it does assist low and moderate income households throughout the State to purchase their home.

Far from being wound up, it will be wound up for continuation; in other words, it will be further encouraged. I think it will go from strength to strength. We are endeavouring to provide a more appropriate administrative framework by looking at the administration of HomeStart linked with other areas of Government activity in the home area, so that we might get an efficiency similar to that announced by the Premier as part of the centralisation of those central agencies—that is, amalgamation. We are very keen to see it continue for a number of reasons. Up to 30 June, we have approved over \$110 million in loans, and the program continues on schedule with loans of \$158 million to 2 682 households as at 14 September. The honourable member can assure his constituents that, contrary to being finished, we are continuing to wind it up so that it will continue.

Mr ATKINSON: Again at page 273 of the Program Estimates, under the program 'Housing assistance', the following comment is made:

The proportion of Housing Trust tenants on rent rebates is growing (75 per cent of new tenants are now entitled to a rebate). The funding of these levels of rebates continues to be a key issue.

Will the Minister comment on the debate concerning Housing Trust accommodation as welfare housing?

The Hon. M.K. Mayes: It is a huge issue. It is part of the whole exercise of looking at where we are going in public housing. I am a firm believer in the public housing policy and South Australia has set the trend nationally in public housing. It is often said to me—and it has certainly been said by the Federal Minister—that other States come to look at South Australia but never get it right. They try to implement the policies that we have put in place but they always seem to get it wrong. From talking to my colleagues interstate I know that the Victorians are in a desperate situation because it has created ghettos through its housing policy. Basically, this is described as welfare housing. Victoria did not get a blend to involve a mixed community being part of its social structure.

We have always had a policy of blending our housing together, mixed rental and private sale, and we want to continue that. True, most of our housing now coming on to the rental market is being directed towards people in great need. In other words, a large proportion of our housing, particularly in the metropolitan area, is of a welfare nature. Our rebates are climbing. About 67 per cent of our

occupants receive a rebate, and that is creeping up every year.

Consequently, we have to look at how we can maintain our public housing profile and adapt policies which in the past have been funded by the Commonwealth-State moneys so that we will actually attract other funds to maintain a public housing profile, so we just do not build ghettos at Willunga but put in a blend of housing involving a mixture of private, rental and sale.

Some people might want to go into a shared equity-purchase scheme. In that way we get a good balance between the traditional Housing Trust tenant and a more local profile, which reflects what the rest of the community would see in their local neighbourhood. It is a challenging issue. I know that the honourable member has been consuming numerous tomes on the topic that various academic writers have been exploring.

Certainly, we need to avoid the New South Wales and the English approach. The English Prime Minister has said that council housing is a disaster and that she would not have anything to do with it. That Government has evacuated the whole scene. The trust's General Manager told us at his farewell dinner the other night that South Australia built 1 200 houses last year, yet the United Kingdom built only 12 000. South Australia built one-tenth, while having only 2 per cent of the population. We are doing better than the United Kingdom.

Stories from the United Kingdom are becoming more prolific about people living under bridges, in doorways and cardboard boxes. We have to avoid that and the passing of responsibility to the private rental market, as New South Wales has done. We have to be innovative and look at ways of raising outside private funds and bringing them into public housing so that we can develop and continue our profile as a public housing authority and not just as a welfare housing authority. Unless we do that, it will spell disaster not only for the policy but for the people who go into those houses. In my opening remarks I referred to Munno Para and Elizabeth. The member for Elizabeth is most anxious that we address those issues.

The member representing the Munno Para area is also keen that we address those issues. Such members, including you, Mr Chairman, and the Minister of Industry, Trade and Technology, who represent such electorates are concerned that we put such a package in place in order to get a good blend. The trust will be looking at ways in which we can rejuvenate our communities in such areas by bringing in new people, giving people better opportunities than they have had so that we do not just have street upon street of single parents faced with the same depressing issues, having to deal with the same social problems.

We seek a blend of elderly and young people mixing so that there is support for people in the community who are in distress. That comes about by having a public housing profile. That is one of the things the Government will have to address in the next 12 months. A special Housing and Planning Ministers Conference will be held on 4 November, and a special Premiers Conference will be on 27 October to address those housing issues.

The Federal Government has a plan providing that by March or April next year it can introduce a composite package dealing with housing for next year's budget. One question concerns housing affordability, which is a broad issue. We have to address that as well, otherwise we will be a sitting target for people who want to criticise and say that we have done nothing. We have to keep moving and that is what I intend to present to our Government and to Parliament—a moving target so that we are moving forward

with our public housing policy. I thank the honourable member for his question, which is a critical one at this time.

Mr S.J. BAKER: Going one step back to the Homesure scheme, if I read the papers properly, in 1989-90 we spent \$800 000 on the administration of the scheme and \$443 000 in actual grants. Can the Minister confirm that? If that is correct, he is spending \$1.1 million in administration of the scheme in 1990-91 (projected) and a massive increase against declining interest rates of \$6.7 million in 1990-91. The mathematics do not confirm that those figures are correct. Can the Minister explain the position?

The Hon. M.K. Mayes: The figures say it all. When we were setting down the budget figures in May, there was an anticipated maintenance of interest rates and we believed we had a responsibility to set aside what was then regarded as a more realistic expectation on the advice available. That is where the figure of \$6.7 million for 1990-91 was formulated. Obviously, with a fall in interest rates, I would expect that there would be a considerably less amount of money called on by home buyers under the Homesure scheme. All other things being equal, the \$6.7 million should be well above what will actually be taken up.

Mr S.J. BAKER: As a supplementary question, in six months under a high real interest rate regime consumers obtained \$443 000, yet the original promise was for a \$36 million scheme. Is the Minister trying to convince the Committee that the Government will spend \$6.7 million in a full year after spending only \$443 000 in a half year? Can the Minister please explain why there is this huge difference?

The Hon. M.K. Mayes: There is no huge difference. The figures were prepared in April or early May. We were running a very extensive campaign because the Opposition accused the Government of hiding its Homesure scheme under—

Mr S.J. BAKER: Achieving your promise—that's what we are talking about

The Hon. M.K. Mayes: I will not interrupt the honourable member if he does not interrupt me. We did pick up the whole issue of advertising. We went into a very extensive campaign of buspak and also on the popular radio media. We spent considerable funds on that and we thought that that would bring those people who we thought were under stress to realise that there was a scheme available to assist them. I think now, in summary, given the packages that were available in the community, that no-one, including the Liberal Party, which also made a promise prior to the election, realised that there were a series of packages available through banks—fixed term, fixed interest rate, interest payment only packages—which were being taken up by huge numbers of people in the community. As a consequence, the ABS figures and the analysis undertaken by Treasury on the State Bank figures could not identify those people and, consequently, we concluded—from those estimates provided from Treasury—incorrectly.

I do not recall the Deputy Leader making his predictions available about what interest rates would be on 21 September this year. I note that some very significant people, including various CEOs of banks, were not prepared to predict what interest rates would be. In fact, I can recall a *Financial Review* article suggesting that interest rates would stay high for the whole of 1990 and into 1991. Therefore, I guess that it is fair to say that it is better to have a provision there, if interest rates had stayed at 16.5 per cent or 17 per cent for home buyers, and assume that we pick up some of those people from our advertising campaign.

We did pick up some; it was a small blip. As to the distress that we were being told was out in the community because of these high interest rates, either people have been

gritting their teeth and bearing with it or they have found alternatives. I guess that they have found alternatives by going into other arrangements with their bank over a fixed period of time and so reduced their interest rate.

In July, the State Bank was offering 14.85 per cent on a fixed term three-year basis and the interest payment only rate was 14.7 per cent or 14.75 per cent for five years. I am told that people were actually taking that up quite readily. Consequently, there have been other alternatives which the banks offered and which were taken up. Therefore, the numbers of people in distress was, in fact, reduced considerably by the actions of those people. I think that that is the reason why we had such a low take-up of grants for 1989-90. Certainly, there was no lack of enthusiasm to advertise our scheme. No-one can convince me that people would not take up an offer of up to \$1 000 per annum interest relief if they were in distress, irrespective of whether or not people feel they have a social objection to that information being provided to their bank.

I guess that we can all be clever in hindsight; it is better to be safe and sure than sorry. That is why the \$6.7 million is put in there as part of the grants to home buyers. However, quite candidly, unless there is a significant change in the current environment (and obviously trade figures, where again the Federal Treasury instituted monetary measures to push interest rates up) I guess there will be a very significant lower take-up than the \$6.7 million allocated.

Mr S.J. BAKER: What does the Government intend to do with the probable \$5.5 million to \$5.7 million saving on the scheme?

The Hon. M.K. Mayes: Obviously that will be a matter for the consideration of the Treasurer at the conclusion of the financial accounts next year.

Mr S.J. BAKER: Why did the Government decide to break its election promise on Homesure and so disqualify 90 per cent of those families that would otherwise have been eligible? Who made the decision to break the promise? I remind the Minister that, in fact, the Government's promise mirrored that of the Liberal Party and we knew exactly what we were promising, plus an ongoing benefit for those people who took up the scheme during the 1989 calendar year. When the Minister finally came to grips with the economic situation, a plateau of 30 per cent was put on this scheme, which effectively eliminated 90 per cent of the people that the Liberal Party would have helped in the process. Why did the Government decide to break its election promise?

The Hon. M.K. Mayes: The Deputy Leader can make the political statements that he has made on numerous occasions before. I note that the media has probably gone home, so whatever—

Mr S.J. BAKER: You can tell the truth now.

The Hon. M.K. Mayes: I always tell the truth; I have never shied away from it. We have been through this exercise on numerous occasions. If the honourable member refers to the 30 per cent test, I refer him to the *Advertiser* article written by Rex Jory the day after the policy announcement by the Premier, which included a very clear reference to that. There were no broken election promises, and the article made very definite reference to the qualifying percentage. It could go on. The Deputy Leader makes the point about the Labor Party's policy mirroring the Liberal Party's policy, but I would argue that their's mirrors ours.

Certainly, our earlier schemes were picked up by the Liberal Party as part of its platform. I have made my point quite clear. In essence, with interest rates coming down to about the 15 per cent mark, it really becomes an esoteric, academic political argument in which probably only we are

interested, because I do not see crowds of consumers sitting in the gallery demanding to hear the matter debated. It is old news.

Mr S.J. BAKER: Mr Paul Edwards retires on Friday as General Manager of the South Australian Housing Trust after a distinguished 12 years of leadership. As the Minister would be aware, Mr Edwards succeeded Mr Alec Ramsay as General Manager and both men enjoyed strong bipartisan support and presided over a public housing authority which was regarded as the leader in Australia and which was seen as a role model in many overseas countries. Quite clearly, in what is a particularly challenging time for public housing, there is a great importance attached to the selection of the successor to Mr Edwards. There have been strong rumours circulating that a political appointment may be made. Will the Minister assure the Committee that a candidate free from political taint will be appointed as General Manager of the South Australian Housing Trust?

The Hon. M.K. Mayes: I am not sure what the member means when he says 'free from political taint'. Certainly, I can actually go back in history quite accurately because I worked for Alec Ramsay as one of his special project officers for a couple of years and enjoyed every minute of it. I know from talking to Mr Ramsay, that he was actually appointed by the then Premier, Sir Thomas Playford. I am not sure that they had an interview; I think he was selected by Sir Thomas and was told, 'Alec, you have a job; here it is, the Housing Trust, you go and run it.' And he did it very admirably. He set up the best housing authority in Australia and, in the eyes of many people, it is one of the best organisations in the world and I think that that is a fair judgment.

The appointment process, which will be through the normal channels, is currently being conducted. The Chairman of the board, the Commissioner for Public Employment, the Director-General of the Department of TAFE and one board member form the interview panel. No doubt the matter will be referred to me and the Premier. The Government has an impeccable record of appointing people, irrespective of what rumour suggests their political leanings are, to the bench or elsewhere. We will be looking for the best person for the job because, as the member says, it is a demanding time for the housing authority.

Because the honourable member mentioned the departure of the General Manager, let me put on record our thanks to Mr Paul Edwards and his wife, Audrey, for their magnificent contribution to this State. I am sure that my comments will be echoed by you, Mr Chairman, as a former Minister. He stepped into a very large pair of shoes, with great skill. He is a man of intellect, compassion, skill, foresight and immeasurable talent in the housing area. He will be a very hard man to replace. As the Deputy Leader may know, we held a small State farewell for him the other night, at which we were privileged to have the company of a former Housing Minister (Hon. Murray Hill). Unfortunately, the Chairman of this Committee was unable to attend because of his role in the Estimates Committee. It was a very pleasant evening. Former board members, a former Minister, the Opposition spokesman and I had the opportunity to express the State's thanks to Paul Edwards.

The CHAIRMAN: I was here.

The Hon. M.K. Mayes: Yes, I know. We appreciate your commitment to the State. We enjoyed the night. It was a fitting occasion for a very talented and significant person who has made a great contribution to South Australia. I am sure that I am joined by all members in wishing Mr Edwards and his wife the future success that they deserve and a very healthy and enjoyable life. The UK's gain is our loss. That

is the only way I can sum it up. Having a friend in housing in the UK means that we might have a contact who can feed information to us, knowing that it would be well assessed, without having to employ 'consultants'—and overseas consultants cost a lot more. I thank him and record those comments with all my heart in terms of his contribution to this State.

Mr QUIRKE: I refer to the capital works line. Will the Minister outline the trust's efficiencies and housing costs associated with the construction of rental dwellings and how they compare with the private sector?

The Hon. M.K. Mayes: Some very significant factors can be drawn out of the question raised by the honourable member because the trust has significant efficiencies in its program. That is one of its strengths. Looking at the overall development of the system within the Housing Trust, it must be said that 50 years has given it fair experience. Over the years, the trust's capital works program has shown a very clean development in terms of the quality of public housing. Paul Edwards said to me that, from his experience in the United Kingdom, he knew that there had been a lot of experimentation and inconsistency in the development of housing in that country. The UK tried different methods of housing development, many of which did not work. Inferior quality and difficult construction techniques led to inefficiencies and a very cost-ineffective process.

The trust developed a number of economic programs in the 1930s and 1940s, and materials were very scarce in the late 1940s. In the 1950s economic housing stock was put up—sound quality building but very basic. We now use a variety of materials and a lot of our products win design awards. We have diversified from attached housing, to semi-detached housing, detached housing and units. Our high quality building facility has led to an overall efficiency.

Housing costs have been modified by the reduction in the average size of the trust's building contracts and certain economies of scale have been lost to a large degree. An increased number of contracts in scattered locations has resulted in increased administration costs to the trust and land costs have increased. Further considerations include the development of different types of housing for restricted sites and more difficult planning requirements. A number of outside factors have altered the trust's process of construction. If one were to compare construction in Elizabeth per unit with construction in an urban consolidation area, one would see quite a difference.

I will outline the difference in public and private housing costs. In 1987-88, the average public housing cost was \$41 400 as against private housing at \$58 700. In 1989-90, public housing cost \$49 500, compared with \$64 900 in the private sector. The average tender costs of trust dwellings, including site works are as follows: a one bedroom cottage flat, \$32 000; a two bedroom walk-up flat, \$50 000; and a three bedroom town house, \$58 000. It is considered that the equivalent private construction costs would be between 10 to 15 per cent higher than that.

Because of a very close relationship with the builders who build for us, we achieve significant economies. They know the standards and the requirements, and relations are very close between the supervisors and the builders. Pre-eminent builders have worked with us for many years, including Alpine Constructions and Minuzzo Construction. Their contribution to the Housing Trust program has been very significant. They have made a point of building quality housing at a price. That is part of what the trust has achieved. As I said, it is regarded in the industry that the trust puts out a product at a cost around 10 to 15 per cent lower than that of private industry. It is a significant question, given

planning requirements and block sizes, which apply to both private and public constructions. Of course, the potential for private companies to recoup a higher return is quite significant.

Mr QUIRKE: I refer to page 42 of the Capital Works Program. Given that the trust has a reduced capital works program as a result of a reduction in funds from the Commonwealth-State Housing Agreement, what will the trust do to ensure that the houses it builds meet the needs of the community? To what extent does it comply with the Government's policy of urban consolidation?

The Hon. M.K. Mayes: Urban consolidation and the needs of the community are very important. The Housing Plan will address this issue and we are engaging in consultation with the community. Urban consolidation is a very complex issue for the Housing Trust because the costs involved can be considerably higher than in clear land development. The trust is pursuing urban consolidation because it is appropriate that we offer accommodation in the inner metropolitan area or close to the central business district to those people who may not otherwise be able to afford it.

Last year, 74 per cent of our land purchase expenditure for future housing was in the central metropolitan area—that is, Gepps Cross to Darlington—the original Adelaide development area. That is a fair indication of our commitment: this year a construction program of 1 000 built and 100 purchased with a further 300 units being acquired for the housing cooperatives program. These programs will enhance the urban consolidation program and certainly further strengthen the facility and the unit profile which we offer—that is, reinforce opportunities for those who want to be closer to the CBD and give them the option to take up trust occupancy in those homes. That is an important program.

Members of the Committee are all from city areas. It is important to have that urban consolidation program pursued from the point of view not only of the trust but also of economics. For example, it costs about \$15 500 to provide wires and pipes to Burton whereas it cost about \$1 000 to provide them to Northfield. The economic benefits to the community are quite enormous and relevant. We believe that some of those rewards that E&WS and other agencies enjoy should be passed on to the Housing Trust to allow it to continue its urban consolidation program. In other words, this is a cross-department transfer, recognising that, for us to continue our housing programs which supports the Government's urban consolidation program, we need some support from those agencies that would normally need to budget for X million dollars to provide water, sewerage, power, roads, kerbing and floodwater drains to Willunga or Burton. They get a benefit, and it should be recognised. The Housing Trust should be assisted in its program of urban consolidation by a cross-transfer of that fund.

Mr QUIRKE: I refer to the program for this year and, I presume, for one or two years after this year, in relation to the Pooraka estate and the Northfield development. What is the likely time frame for them to come on stream? Further, I understand that the Pooraka estate development is 80 per cent or even 85 per cent Housing Trust, whereas Northfield is the normal suburban mix of 80:20 the other way. Given the CSHA and other adverse economic conditions, is the trust likely to proceed with this development, which, I understand, has already gone through Salisbury council?

The Hon. M.K. Mayes: The honourable member's statistics are fairly accurate. The Pooraka development is about 85 per cent. The answer is, 'Yes, the trust will go ahead

with it.' In respect of Northfield's timetable, it is not my direct responsibility, as it comes under budget for the Minister of Lands and the Premier's Department. We will obviously want a share of it. On the alternative funding packages, it would be important to provide us with a better profile in the Northfield development—for example, the mixed development whereby we may build some for sale and some for shared equity purchase. To do that, we will need access to other funds because of the restriction on the CSHA.

If we get no additional funds outside the CSHA or we do not use cooperatives as a means of building in that development, it would probably be 20 per cent Housing Trust at most. That may be a high figure because we are talking of a population base of about 20 000 in the Northfield area. For us to talk about 2 000—

Mr QUIRKE interjecting:

The Hon. M.K. Mayes: Yes, I am talking of population. I think it is about 7 000, so 20 per cent would be high in the current environment. I must find other funds, which is what I am endeavouring to do, so that we can have a better share of the cake. I shall take that question on notice and give the honourable member a more accurate answer. In respect of the timetable, we are talking about two years. We are talking about a bit longer than that for Northfield.

Mr MATTHEW: I refer to a previous question that I asked about the \$6.7 million in grants to home buyers under the Homesure scheme. To be more specific, how many families is that \$6.7 million targeted to help, and how much per family is expected to be paid out?

The Hon. M.K. Mayes: The average weekly payment for the week ending 20 July was \$13.63. That has obviously dropped as interest rates have dropped. Earlier in the scheme, about March, we were averaging about \$18 to \$19 per family. That calculation of \$6.7 million was made at about the time when the average was about \$18.60. It is a matter of working out the calculation and the anticipated number of families involved. We would probably be talking about 7 000 people. That was the estimate.

Mr MATTHEW: I now refer to page 373 of the Auditor-General's Report which, in part, states:

In October 1989, the Rental Purchase Scheme ceased and a new capital indexed loan, HomeStart, was introduced. Applicants already on the State Bank (rental purchase) waiting list at the date of termination were given the option of either an immediate loan through HomeStart Finance Limited or remaining on the waiting list until they are in line to apply for either a State Bank concessional or a rental purchase loan.

Bearing in mind that confirmation of the cessation of the rental purchase scheme, how many applicants for the rental purchase scheme subsequently transferred to the HomeStart scheme, and how many trust tenants have received assistance under the HomeStart scheme?

The Hon. M.K. Mayes: I will take that question on notice and supply the honourable member with the information, in accordance with Standing Orders. I may be able to intervene in a moment and give the information.

Mr MATTHEW: As a supplementary question, if the Minister is taking that question on notice, will he also provide a breakdown of the loans by suburb or country town?

The Hon. M.K. Mayes: We shall certainly have to take that on notice and give you what we can. Page 122 of the Auditor-General's Report (on which I think we will find the answer) states:

Since the inception of the scheme, the 1 625 home loans have been granted; of these, 277 loans were provided to borrowers previously on the waiting list for the HOME scheme concessional loans.

The balance of the loans outstanding at 30 June 1990 was \$331 million . . . The number of applicants remaining on HOME scheme waiting lists was 2 577.

Mr MATTHEW: I refer to page 42 of the Capital Works Program, the housing section of which states that it is expected to achieve sales of 500 housing stock. Is the Minister confident that those 500 sales will be achieved and, in that light, would he undertake to advise how many trust houses were actually sold in the first quarter of 1989-90 and, as soon as possible after 30 September, provide a corresponding figure?

The Hon. M.K. Mayes: We will not be able to provide that information immediately. It is probably too difficult at the moment to find the information for the quarter, but we undertake to give that information on notice. The honourable member asked our predictions on those sales. I think that is probably a very conservative figure. For example, for the interest of the member, the trust ran a sales campaign in Mount Gambier, where we had a considerable stock of 2 500 Housing Trust homes. We renovated a pair of double units, showing the variety of ways in which trust homes could be given new life. That was advertised and run on local radio stations and through the Mount Gambier press, and we had an enormous response to that. About 2 000 people went through the units at the weekend. If we do that in other locations, for example, Whyalla or in Adelaide, that 500 could be a fairly conservative figure.

Mr MATTHEW: Is the Minister planning similar advertising programs in other locations?

The Hon. M.K. Mayes: Yes, we are; in my opening statement, there is specific mention of the problems that we are encountering, and the members for Elizabeth, Napier and Salisbury are anxious to address what is seen as major socio economic problems, in terms of the Elizabeth and Munno Para area. We will be running a very special campaign for home sales in that area.

We need to highlight to people and, particularly, the more elderly, that they can have those homes, that they can achieve ownership at a very reasonable cost and that they can turn them into their own personal asset. Some rather attractive renovations can be made to those houses in Elizabeth and, certainly, I would be fairly confident that we would have a successful sales program up there. That is our next target.

Obviously, we have set ourselves a certain administrative and financial level we can cope with, because we turn those funds back into housing, and lose about a quarter of the value in the cost of replacing them; so we get about three-quarters of a house for every house we sell. But, of course, we replace our stock with new stock, at very low maintenance for the first 20 years or so. Of course, if we sell that, it turns over as well, so it is a very sensible program that provides a lower maintenance bill. One of our problems is our recurrent costs. We had about a \$33 million deficit this year, so we need to look at every way to keep maintenance costs down. This not only provides people with the opportunity to own their own home—we have packages to support that—but also it means that we can regenerate new stock at a low maintenance cost.

Mr MATTHEW: As a further supplementary question, I welcome the drive towards sales in the northern suburbs, but obviously, as a southern representative, I am keen to see similar programs in the south. I see the member for Mitchell smiling, too, so I imagine that, as a south-western representative, he would feel likewise. Has the Minister any programs for sales drives in the southern and south-western suburbs?

The Hon. M.K. Mayes: No, not at the moment.

Mr MATTHEW: Then envisaged?

The Hon. M.K. Mayes: I certainly think so. I think the litmus test will be Elizabeth, to see how we go there. I am sure that the member for Mitchell would be very interested in that as well. It is certainly something that is part of our program and something that we will be continuing. There is no exclusion other than that we acknowledge that we have some major problems in Elizabeth which we must address, and this is just one of those attempts to address the problems that are currently being faced there.

Membership:

Mr M.R. De Laine substituted for Mr M.J. Atkinson.

Mr HOLLOWAY: In his opening remarks, the Minister referred to the Government's commitment to a greater involvement of tenants in the management of public housing. From my observations that is a particularly important issue given the trend to high-density living in most of the newer trust developments. What initiatives are being taken by the trust to encourage tenant involvement?

The Hon. M.K. Mayes: It is a very important issue. Again, it is something to which this Government is committed. Currently, the trust has 97 active tenant participation groups throughout South Australia comprising about 1 200 active members. There is a program by which we will promote the development of trust tenant participation and management initiatives. One of the advantages gained from that is local tenant management, which will have great benefit from the point of view of maintenance and management programs whereby they actually manage and look after the maintenance of the trust blocks or units in which they are involved. They have a list of authorised people whom they can contact for various works through a very efficient administrative process and they are on site and the job is done, whether a lock on a door or a leaking pipe.

There is also a trust program. A tenant management handbook is currently being prepared with leaflets on public liability and risk, etc. Training programs for trust staff have been conducted and a training program for tenant and local community groups was developed in conjunction with tenants earlier this year, so we will see a whole range of developments involving trust tenants becoming part and parcel of the management process. One can see the obvious efficiencies. We do not have to have on site people who may be able to resolve those management problems. They take the responsibility; they have the voucher. The costing is done by a contractor or by arrangement with various tradespeople and the management of that particular block or group of units, and it becomes part and parcel of their responsibility as tenants. There is a direct link of ownership and relationship, and I think it will be a most successful program.

Mr S.J. BAKER: With respect to workers compensation claims, will the Minister provide the number of claims filed in 1988-89 and 1989-90 by cause for the employees of the South Australian Housing Trust?

The Hon. M.K. Mayes: The reply is as follows:

	1988-89	1989-90
(a) The average number of employees employed during the period . . .		1 091.3
(b) The total number of hours worked by employees		2 095 636.11
(c) The total number of work injuries	257	194
(e) The agency's budget allocation for workers' compensation claims .		\$690 000.00
(f) The total number of workers' compensation claims	106	115

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	1988-89	1989-90
(h) The total cost of workers' compensation claims carried by the agency		\$550 232.00
(k) The total number of employees who participated in the agency's rehabilitation program		24
(l) The total number of employees rehabilitated back to their original work task		16
(m) The total number of employees rehabilitated and redeployed onto other suitable work tasks .		3
(n) The total number of employees still on suitable alternative tasks . .		5
(o) The total number of employees who have left, declared medically unfit		0
(p) The agency's budget allocation for property damage accidents	\$250 000.00	
(q) The total number of property damage accidents		150
(r) The total cost of property damage accidents	\$109 410.00	
(s) The number of hours of training in Occupational Health and Safety		2 772
(t) The number of Health and Safety Representatives		3
(u) The number of Health and Safety Committees		17
(v) The number of Default Notices issued pursuant to S.35 of the OH & SW Act		0

Mr S.J. BAKER: The following questions are asked of all Ministers. Can the Minister provide details of the number of vehicles operated by the department, namely, those with normal number plates, those with blue number plates and those operated principally by one person as opposed to those that are operated and available for use by a pool of people?

The Hon. M.K. Mayes: The trust has 337 motor vehicles as at 19 September 1990 and the details are as follows:

Size	Number
4 cylinder	206
6 cylinder	131
Type:	
Passenger	284
Commercial	53

The trust's current policy is to replace motor vehicles when two years old or 40 000 km, whichever occurs first. The trust introduced a policy approximately three months ago to reduce the number of six cylinder motor vehicles and to replace them with four cylinder vehicles. We have four private plated vehicles allocated to the General Manager and the three Assistant General Managers. When these managers are not using them they are available for use by the trust for any other purpose related to trust work according to the administration circular on the use of vehicles.

Mr S.J. BAKER: As to productivity, in the financial statement by the Treasurer a figure of \$130 million was given as the sum measure of last year's savings if we are doing the same things this year. What is the trust's share of this \$130 million and what productivity targets have been set for the 1990-91 year?

The Hon. M.K. Mayes: I will take that question on notice because those figures are part of the general budget statement. Part of the general review also takes into account that aspect and, like all agencies, the trust will be required to present itself to the review panel. That is part and parcel of our recognition of the need for savings in 1990-91.

Mr MATTHEW: The Minister will probably take this question on notice, but can he provide a breakdown of HomeStart loans by suburb and country town? I asked this

by way of an earlier supplementary question, but I want to ensure that the exact question is understood.

The Hon. M.K. Mayes: I do have some information available now, but it is not comprehensive.

Mr MATTHEW: I would prefer a comprehensive reply.

The Hon. M.K. Mayes: I will take the question on notice and provide a comprehensive reply.

Mr MATTHEW: The trust reported during the year that it would not be building houses in the city of Adelaide because costs were too high. Can the Minister expand on that decision and outline which building cost elements are higher in the city of Adelaide, compared with the metropolitan area of Adelaide?

The Hon. M.K. Mayes: That was a misreported statement by the General Manager. The General Manager was addressing the Carrington Street project. Fundamentally, he was saying that unless we as a community address the issue of the cost of land in inner suburban areas—and, of course, the CBD is a particular location—the trust may be forced to go outside the inner city, that is, the square mile as we traditionally refer to it. I believe that that would be of detriment to the community, because I think there are people who need the services of the Royal Adelaide Hospital, specialists on South Terrace and facilities located within the city. They need very easy access to those facilities and we provide that. Only a certain percentage of the community needs that but there are people who do. If we do not provide some level of program in the city area, I think we defeat our purpose of providing a public housing profile for the community.

We exclude people from that opportunity. One of the problems that we face is the increasing property value, as the member for Adelaide and the member for Norwood would know. The price of city land is a significant factor. I said earlier that the trust encounters significant cost increases because of the density of the development, that is, the location. We may be talking about an axe head block development and that adds a cost to the construction. Overall, the funding arrangements that we need to consider put a restraint on the extent to which we can spend money on these units. If we are talking about \$50 000 for land to build a unit, we are talking about a significant proportion of the cost. One would be able to build a house on land in Seaford for a total cost of not much more than \$50 000, maybe \$60 000 or \$65 000. That is the obvious difficulty that we face.

I referred earlier to cross payments from departments that enjoy the benefits of our not building at Willunga or Gawler. The E&WS, ETSA and the Highways Department enjoy a definite benefit, because they do not have to build major arterial, trunk or main roads, or provide services. We believe that the trust should also enjoy some of the benefits that those departments receive so that we can, in fact, continue an inner city consolidation program to offer inner city accommodation to pensioners, in particular, who need the services available in the inner city area. Let us face it, if one wants specialist treatment, one must go to the inner city area, whether South Terrace, Greenhill Road, Dequetteville Terrace. Those services are located in the inner city for the convenience of the specialist so that they can get to major surgical hospitals. We have to provide some facilities for those people, otherwise we will be forcing those who are less able to cope out to the outer suburbs. Their costs are enormous and many people suffer inconvenience and distress. A number of people who do not live in my electorate come to my electorate office and tell me that they wish to live closer to the city. They have ruled out their capacity to buy or rent in the Adelaide city area. They are

the problems that we face and we must address them. I think that there are some measures we can take.

Mr MATTHEW: I refer to page 274 of the Program Estimates, under the heading '1990-91 Specific Targets/Objectives'. It is stated:

Liaison with the Multifunction Polis Committee to ensure a range of diverse and affordable housing is created on the Gillman site over the life of the project.

Will the Minister make available all the official reports and information received by his department which refer to environmental pollution of the Gillman site and which may limit the suitability of that site for housing?

The Hon. M.K. Mayes: My position is to liaise with the Chief Executive of the MFP to ensure that we are fully *au fait* with the developments of the MFP and that the MFP people know what our position is on any housing development proposals that they may consider or in terms of the industrial development programs offered through the Housing Trust. I recall that a few weeks ago I wrote a memo to my ministerial officer, I think, to coordinate a meeting between the MFP, Mr Colin Neave and the General Manager in order to ensure that the trust's position is well recognised within the MFP exercise. I am told from other sources that the MFP recognises the role that the trust will have to play in that development.

As to any pollution or contamination problems, I advise that we have our hands full at the moment with testing the Hindmarsh and Bowden sites, going through records of the industrial history of the area. I do not have at my fingertips anything to do with the contamination of the MFP site and what we will need to address. That has been with the Health Commission, the Minister for Environment and Planning and the Premier's Department. No doubt the community will have to address those issues. The Minister for Environment and Planning has taken over the responsibility of addressing those issues, as she has said on several occasions in the House. It is something I feel she is more competent to address. I am aware of the issue and I will be asking certain questions about our role in it as we get closer to the production of housing and construction programs with respect to the industrial development on the site. It will be addressed automatically because of the realisation of contaminants at the site.

Mr MATTHEW: Is the Minister aware of any report regarding those issues?

The Hon. M.K. Mayes: No. I know that it is being addressed and that some papers are being prepared but nothing has come to my attention yet.

Mr LEWIS: I refer to measures being taken by the department to protect its buildings and other wooden components in associated structures now that the Government has banned the use of all organochlorides and some organophosphates. I do not see any evidence in the program description on page 279 that reassures me that the Government has a building protection program. What can the Minister tell us about protecting buildings from termite attack given that, once a transportable school classroom is moved—

The CHAIRMAN: The Committee is dealing with the Minister's responsibility in regard to the South Australian Housing Trust. The honourable member's questioning seems to be branching off into schools. I do not think that, over the past 11 months, the Housing Trust has entered into the business of providing schools for the Government, so I will have to rule the honourable member's question out of order unless he can relate it to Housing Trust properties.

Mr LEWIS: I shall relate it to Housing Trust properties, since it does not make any difference to a termite! How are we presently protecting the vulnerable softwood timbers that we use in Housing Trust constructions?

The Hon. M.K. Mayes: I do not have a comprehensive answer to that question, and I will have to take it on notice. I understand that there is still a limited use for one of the organochlorins in terms of the protection it provides against white ants, and that that is the only use for which it is excluded. However, that may have changed and I stand to be corrected if that is so. I think that there is one exemption for the use of chlordane, and that is in circumstances where it is used for the protection of homes when they are first built. I imagine that, if that health policy is still in place (although it may have changed; I could be out of kilter with it), that would be the program that the builders are following. As I said, private contractors such as Alpine Constructions and Minuzzo Homes do most of our building work, and I would imagine that they would follow the standard building procedures. So, if there were still an allowable process whereby chlordane could be used once a foundation is laid—and it is traditionally sprayed within the foundation itself; I have seen it done on numerous occasions—I imagine that that would still be the practice. If that is not so, I undertake to advise members of the Committee of the policy that is followed.

Mr LEWIS: I would appreciate any additional information the Minister could give the Committee. I turn to another matter, that of the recent practice of arranging defeasance for the assets of Government departments wherein overseas financiers buy out those assets and, having done so, receive an annual payment, by arrangement, from the Government agency (be it a department or quango) which has to meet a substantial balloon payment at the end of the day. Is the Housing Trust or any of the Minister's agencies involved in defeasance arrangements? If so, which agencies or parts thereof?

The Hon. M.K. Mayes: The answer is 'No', but it is certainly an interesting concept. Although I think that it would be highly unlikely in the public housing arena, I think it is something that we would look at.

Mr LEWIS: Has there been any change in the eligibility criteria in relation to financial assistance that is provided by the Emergency Housing Office? How many people applied

for help from the Emergency Housing Office last financial year? How many people are expected to apply for help this coming year?

The Hon. M.K. Mayes: The answer to the first question is 'No'. A total of 34 754 households contacted the Emergency Housing Office in 1989-90 seeking assistance or advice, and that represented an increase of about 4 500 on the 1988-89 figure. I am advised that 34 754 households were assisted in 1989-90.

Mr LEWIS: They were helped?

The Hon. M.K. Mayes: Yes.

Mr LEWIS: As a supplementary, does the Minister think there was any connection between that figure and the increased number of bankruptcies?

The Hon. M.K. Mayes: One could speculate on a variety of causes for increased need in terms of emergency housing reflecting the general economic climate, through to the affordability of housing, which would probably be the most relevant factor causing people to seek emergency housing assistance.

The other matter is the supply side, as I am sure the honourable member appreciates, with the reintroduction of credits being granted to people for gearing. The deduction allowable for interest payments on private dwellings has probably added to the supply of private rental stock. Certainly, however, it has not added as much in this State as it has in other States. That would impact on what we see as a supply-driven price which pushes up the private rental market and causes people to seek Emergency Housing Office assistance.

The CHAIRMAN: I declare the examinations completed. I lay before the Committee a draft report.

Mr De LAINE: I move:

That the draft report be the report of this Committee.

Motion carried.

The CHAIRMAN: That completes the business of Estimates Committee B.

At 9.34 p.m. the Committee concluded.